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Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 68/224 and Economic and Social Council resolution 2013/46, in which the Secretary-General was requested to submit a progress report on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action) and to report on steps taken to ensure mutual accountability. In resolution 68/224, he was also invited to report on further progress made towards including the implementation of the Istanbul Programme of Action in the agenda of the United Nations System Chief Executives Board for Coordination.

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I. Introduction

1. The Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action) constitutes a renewed and strengthened partnership for development. The Programme is articulated around eight priority areas of action aimed at overcoming the structural challenges faced by these countries, eradicating poverty, achieving internationally agreed development goals and enabling half of the countries to meet the criteria for graduation from the group (see A/67/88-E/2012/75 and Corr.1). Implementation of the Istanbul Programme of Action is anchored by a number of follow-up and monitoring mechanisms, including the present report.

2. Section II of the report assesses the recent performance and prospects of the least developed countries. Section III provides an analysis of progress made with respect to the goals and targets of the Istanbul Programme of Action. Section IV provides an overview of measures deployed by least developed countries, development partners and other stakeholders, including the United Nations system, in advancing the implementation of the Programme of Action. The section also includes measures related to graduation and smooth transition, as well as South-South cooperation. Section V presents conclusions and policy recommendations for the advancement of the implementation of the Programme of Action.

II. Recent performance and near-term prospects

3. The moderate economic recovery that began in many least developed countries in 2012 was sustained in 2013. Aggregate gross domestic product (GDP) for the group grew 5.6 per cent in 2013, up from the 4.3 per cent witnessed in 2012. Although displaying signs of strengthening, this performance is below that in the period 2001-2010, during which aggregate GDP rose by almost 7 per cent per annum, which is the target set in the Istanbul Programme of Action. Moreover, this recovery appears to have been unevenly distributed. The number of countries that grew by 7 per cent per annum or more declined from 14 in 2012 to 11 in 2013. Those countries that experienced robust and sustained economic expansion made gains in the reduction of extreme poverty and other development goals. For the group as a whole, however, the proportion of people living in poverty remained persistently high, with 50.8 per cent living on less than $1.25 per day over the period 2001-2012.

4. Overall, the moderate economic rebound in the least developed countries was the result of four growth stories. First, several least developed countries recovered either robustly or moderately from the low levels of, or negative, economic expansion recorded in 2012. The economies of Mali, South Sudan and Yemen improved in 2013, moving out of negative territory or accelerating from a lacklustre pace. Economic activity increased gradually in Mali, owing to the improved security situation and the resumption of donor assistance, which contributed to higher output in the service sector. Better weather conditions, which resulted in increased agricultural production, were also a factor. South Sudan's GDP rose steadily, owing to the rebound in oil production and exports, until the outbreak of a civil conflict in December 2013. Growth also recovered in Yemen, owing to robust non-hydrocarbon sector growth.

5. Second, many countries that did well are also among the very few that continued to nurture and sustain a high rate of growth over an extended period. Burkina Faso, Cambodia, Ethiopia, the Lao People's Democratic Republic, Liberia, Mozambique, Myanmar, Sierra Leone, Uganda, the United Republic of Tanzania and Zambia continued to expand rapidly at the rate sustained since the adoption of the Istanbul Programme of Action. The growth momentum in these countries was underpinned by buoyant activity in the mining and construction sectors (Liberia and Sierra Leone), increased public spending and robust construction and service activities (Ethiopia, the Lao People's Democratic Republic, Mozambique, Myanmar, Uganda and Zambia) and higher outputs in the manufacturing and service sectors (Bangladesh, Cambodia and the United Republic of Tanzania).

6. At the other end of the spectrum lie two other storylines: that of countries with persistently low economic growth and that of countries that witnessed significant moderation in their growth. Many of the least developed countries grew at a rate of 3 to 4 per cent and continued to experience a slow pace of expansion, partly because of narrow production and export bases, high transport costs and greater exposure to natural shocks. Growing domestic and regional insecurity and/or lower agricultural output took a heavy toll on the economies of Afghanistan, the Central African Republic and the Niger, curtailing the recovery that had taken shape in 2012. Growth decelerated markedly in these countries, sometimes reaching negative values, as in the case of the Central African Republic. Equatorial Guinea also experienced a slowdown, as oil output continued to decline.

7. Several additional factors contributed to the declining growth performance of these countries. These included the recent decline in official development assistance, including Aid for Trade, flows due to slow economic revival and fiscal consolidation in many donor countries; reduced export values resulting from declining commodity prices; weather-driven supply shocks; other domestic and regional developments, including political events and security; and the persistence of structural constraints.

8. Regarding the near-term outlook, GDP growth for the least developed countries is projected to reach 5.7 per cent in 2014, owing in part to continued strong public and private investment. The majority of countries that have sustained high levels of economic growth are likely to continue that growth in 2014. One common feature of the growth patterns in these countries will be the breadth of their economic expansion. Elsewhere, GDP growth is forecast to accelerate as a result of increased oil output (Chad), improved domestic and regional security (Mali and the Niger), full resumption of donor support (Guinea) and the expansion of tourism and increased private investment (Vanuatu).

9. Yet this improved outlook is subject to a number of uncertainties. On the international front, the phasing-out of accommodative monetary policies and continued fiscal consolidation in advanced economies could reduce private flows and official development assistance to the least developed countries, impeding investment and growth. A significant slowdown in the major emerging market countries would reduce demand for primary commodities and act as a drag on exports. Deterioration of the security situation in some regions could constrain economic activity in these countries and their neighbours. At the country level, social and political tensions could undermine GDP growth. Weather-related shocks and their impact on rain-fed agriculture and potential spillover effects to other

sectors are also a significant threat. The lack of infrastructure and access to energy will continue to hamper economic activity in the least developed countries.

10. Added together, these threats illustrate the challenge of sustaining growth over the long run. Sustainable progress in human and social development depends in large measure on maintaining high and sustainable economic growth. The few countries that have made substantial inroads in reducing extreme poverty and meeting other development goals are those that have experienced robust growth, higher value addition and better integration into the global economy.

III. Progress on the implementation of key priorities of the Istanbul Programme of Action

11. Addressing the structural disadvantages of the least developed countries and helping them to enter a path of sustainable development and growth requires significant progress in the eight priority areas of the Istanbul Programme of Action. The relative weights of various economic sectors in most countries did not change significantly compared with their decade averages, suggesting limited progress in structural transformation. As argued in the report of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States entitled "State of the least developed countries 2013: follow-up of the implementation of the Istanbul Programme of Action for the Least Developed Countries", accelerating these changes will require sustained progress in productive capacity-building.

Productive capacity-building

Infrastructure

12. Of the various components of information and communications technology, mobile telephony continued to experience the greatest expansion in 2012. Nearly 5 in 10 people in the least developed countries were mobile/cellular telephone subscribers in 2012, compared with only 4 in 10 in 2011. Cambodia, the Lao People's Democratic Republic and Mauritania exceeded a 100 per cent subscription rate for the first time in 2012, while Eritrea and Somalia had the lowest mobile/cellular subscription rates, at single-digit levels. Yet a large rural-urban divide persisted even in countries that performed well.

13. By contrast, the rate of Internet usage, while growing, remained low. Only Bhutan, the Sudan and Tuvalu had usage rates greater than 2 in 10. The number of Internet users was only about 1 per 100 inhabitants in Burundi, the Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Myanmar, the Niger, Sierra Leone, Somalia and Timor-Leste in 2012. Large differences existed between urban and rural areas. In many cases, low Internet usage coincided with sub-par quality of services and high tariffs.

14. New developments in the information and telecommunications technology sector, in particular the roll-out of national fibre backbones and the emergence of mobile-broadband services, offer real opportunities to bring retail prices down significantly and expand Internet access. However, this will require improvements in the regulatory framework governing technology infrastructure. These interventions

should be coupled with efforts to expand the resources and capacities needed to fully harness Internet connectivity, including literacy, skills and access to reliable energy supplies.

15. Efforts to improve railway connections within the least developed countries and between neighbouring countries have resulted in many projects to upgrade existing infrastructure and expand networks. A series of projects linking China, the Lao People's Democratic Republic and Myanmar is now under way. Similar projects are in the works to link the Niger, Burkina Faso and Côte d'Ivoire (the main transit country for the former two countries) and to connect Rwanda with the United Republic of Tanzania and, eventually, Burundi.

16. Despite these developments, many least developed countries continue to have non-functional railway networks, owing to years of undercapitalization. Those that are operational face challenges, including institutional and regulatory gaps and missing intra- and intermodal links, which hamper the operational readiness of rail linkages.

17. Some recent initiatives to address poor road conditions include projects under way in Angola, Ethiopia, Nepal, Rwanda and Uganda. Regional highway initiatives have also benefited many least developed countries.

18. However, many transport corridors within least developed countries and connections to neighbouring countries, particularly in Africa, are missing. Simultaneous improvements are needed in the institutional regulatory dimensions of road transport that currently constrain the expansion and efficiency of transport sectors and cross-border trade.

19. Further improvements in physical infrastructure, cost structure and the institutional and regulatory frameworks underpinning air transport markets and safety conditions could enable air transport to play a major role in expanding connectivity within many least developed countries and between these countries and the rest of the world. Currently, the level of air traffic in least developed countries, in terms of both passenger flows and volume of freight, is well below that of other developing countries.

20. Low air traffic is the result of a number of factors, particularly weak demand due to low purchasing power, high prices and limited competition. Among the initiatives bringing down the exceptionally high cost of air transport services are low-cost carriers. One example is the recent launch of FastJet in the United Republic of Tanzania. Another important initiative is the Yamoussoukro Decision, which enables a carrier based in any African country to operate between any pair of cities in Africa. This is increasingly being implemented in West and Central Africa.

21. The Liner shipping connectivity index, which provides an indication of how well countries are connected to global shipping networks, shows some of the challenges that least developed countries face in maritime connectivity. Djibouti displays the highest value, with a score of 16.6 out of 100 in 2012. While landlocked countries face the particular challenge of land transport in neighbouring countries, small island countries often lack the economic scale to take part in international maritime transport and may also lack a deep-water port. In addition to the structural challenges associated with maritime transport, maritime piracy poses a growing threat to maritime traffic, especially off the coasts of East and West Africa. Growing maritime insecurity caused a 70 per cent decline in Benin's maritime

traffic during the third quarter of 2011, in part because of the resultant rising costs of insurance and shipping.[1]

Energy

22. Less than a third of the combined total population of the least developed countries is connected to a power supply, with access levels ranging from 1.5 per cent in South Sudan to 76.3 per cent in Nepal. The situation is all the more daunting in rural areas, where, on average, only 18 per cent of the population is connected to a power supply. Low access to electricity in many countries stems from an inadequate, irregular or unreliable energy supply and prohibitively high prices. Such limited access causes many to rely on solid combustibles for cooking and heating, with adverse environmental effects and health consequences, especially for women.

23. Renewed interest in and financial support for sustainable energy, whose potential is high in many least developed countries, have led to large-scale investments in the refurbishment and expansion of the power infrastructure in some countries. Guinea, Uganda and Zambia recently initiated major hydropower projects, adding to those already under way in Bhutan, Ethiopia and the Lao People's Democratic Republic. Other renewable energy projects are being planned or are under way in Ethiopia and Lesotho (wind), Ethiopia and Rwanda (geothermal) and Mauritania (solar).

24. The use of renewable energy is also at the core of many rural electrification programmes currently being pursued in many least developed countries. One success story is the construction and effective community-driven management of more than 1,000 micro-hydro plants in 52 districts in Nepal. Harnessing the least developed countries' abundant sources of renewable energy and maintaining existing and newly built power infrastructure (including power plants and national and regional grids) require that additional capital be directed into large- and small-scale projects alike. Similarly, the establishment of appropriate policies is necessary to ensure support for the population's access to on-grid and off-grid energy.

25. Strong public-private partnerships are needed in this regard. Existing and potential vehicles, such as green bonds, the simultaneous use of concessional funding, private equity and multilateral investment guarantees, pension funds and sovereign funds, could be leveraged to raise the needed capital. In addition to capital, achieving universal access to a reliable and affordable source of energy requires bolstering sector planning and improving the management of public utilities, as well as addressing the operational inefficiencies of power utilities, including distribution losses and revenue undercollection, which impede their financial viability and deter private investment in power generation and distribution. One of the major developments in recent years has been stronger support for the Secretary-General's Sustainable Energy for All initiative, which promotes partnerships among Governments, business and civil society.

26. The energy sector in the least developed countries needs to be bolstered by long-term national energy policies with cross-sectoral transformative linkages and action plans. The stability of the policies and enabling regulatory measures will be

[1] See http://www.unodc.org/documents/toc/Reports/TOCTAWestAfrica/West_Africa_TOC_PIRACY.pdf.

critical. Appropriate and specific business models need to be supported by robust global partnerships so as to ensure, on a priority basis, long-term investment in the energy sector.

Science, technology and innovation

27. Traditional channels through which technology is diffused and innovation is fostered are not always effective in the least developed countries. Foreign direct investment inflows, capital goods imports, the payment of royalties and licensing fees and trade in high-technology products are still too marginal to exert any significant influence on innovation and technology transfer.

28. A lack of resources and skills also constrains the ability to use, service and maintain transferred technologies. Many countries channel only 0.1 to 0.4 per cent of their GDP to research and development. The ratio of researchers in research and development per million people ranges from 21 in Lesotho to 384 in Senegal.

29. The intellectual property rights regimes of the World International Property Organization and the Trade-Related Aspects of Intellectual Property Rights Agreement of the World Trade Organization (WTO) offer some flexibility to least developed countries in gaining access to technologies relevant to their development through exemptions that were renewed in July 2013 for eight years. However, the monitoring of the degree of compliance with these agreements is loose, limiting the effectiveness of the concessions.

30. The operationalization of the Secretary-General's proposal for a technology bank dedicated to the least developed countries will constitute an important step towards supporting technology transfer and innovation. This bank will rest on three pillars: (a) a patent bank to help least developed countries access and use appropriate technologies; (b) a science, technology and innovation supporting mechanism to help improve least developed countries' scientific research and innovation base; and (c) a science and technology research depository to promote the global networking of researchers and research institutions from least developed countries.

Private sector development

31. The expansion of the stock of economic infrastructure in many least developed countries is part of the effort to improve the business environment under which the private sector operates and to unlock that sector's potential for economic growth, employment generation and poverty eradication.

32. Institutional and regulatory reforms with the same aim are being carried out in a number of least developed countries. Thanks largely to these reforms, Burundi, Djibouti and Rwanda are among the top 10 countries in the world in terms of having eased obstacles associated with the creation and running of businesses.[2] Some of these reforms are directed towards easing access to production factors, in particular, capital. Afghanistan has adopted a unified collateral registry, while Bhutan has

[2] International Bank for Reconstruction and Development/The World Bank, *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* (Washington, D.C., 2013).

adopted new regulations underpinning the licensing and functioning of its credit bureau and secured the right of borrowers to access credit information.

33. Despite these reforms, much needs to be done to address the structural constraints on private sector development, including the paucity of medium-sized enterprises in the enterprise structure, the large size of the informal sector and low productivity. A holistic approach to the further institutionalization of private sector development, including small and micro enterprises, and the building of productive capacity will be critical if least developed countries are to embark on a path of rapid and sustainable development.

Agriculture, food security and rural development

34. Only 24.6 per cent of aggregate GDP in the least developed countries was generated by agriculture over the 2011-2012 period. The relatively small contribution of agriculture to GDP contrasts with the still overwhelming size of the sector with regard to employment. Rural areas are home to more than 70 per cent of the population of the least developed countries. Such a contrast mirrors the low productivity and widespread underemployment in rural areas.

35. Low productivity and widespread underemployment are tantamount to low income and purchasing power for the majority of the population of least developed countries. Because of the limited availability and affordability of food, progress in eradicating hunger and malnutrition has been slow. In relative terms, the share of the undernourished in the total population of these countries decreased to 29 per cent in the period 2011-2013, down from 31 per cent in the period 2008-2010.[3] However, in terms of the absolute number of people affected by undernourishment, hunger is still pervasive, with an estimated 252 million people living with hunger in the least developed countries in the period 2011-2013.

36. A few least developed countries have done relatively well in improving agricultural productivity. For example, Bangladesh, Ethiopia, Nepal, the Niger and Rwanda have lowered both the relative and the absolute numbers of their populations suffering from hunger. Key contributing factors to this success include increased productivity, helped by rising public investment in the agricultural sector and the adoption of enhanced varieties of crops and yield-enhancing technologies, along with the expansion of safety net programmes with a focus on women and children.

37. In most cases, malnutrition and hunger patterns have moved together. Malnutrition among children, particularly, continued to have far-reaching effects on other human and social indicators. There are instances where relatively modest hunger prevalence coincides with high malnutrition, validating concerns about the effective use of available food. In such circumstances, the challenge is to expand access to nutritious food and encourage dietary diversity, among other things.

[3] Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development and World Food Programme, *The State of Food Insecurity in the World 2013: The multiple dimensions of food security* (Rome, 2013).

Trade

38. The rate of the expansion of trade in the least developed countries decelerated significantly in 2012. In that year, the total value of exports of goods and services amounted to $232.7 billion. This represents an increase of only 0.7 per cent, compared with the 24 per cent increase recorded in 2011. Paralleling this development is the rate of the growth of imports, which also slowed, although not as dramatically as that of exports. The total value of imports of goods and services grew by only 3.6 per cent in 2012.[4] The moderation in commodity prices played a significant role in the steep decline in the value of exports and imports in the least developed countries, yet many of them still face severe trade-balance-related challenges.

39. The share of least developed countries in total trade worldwide remained at virtually the same level as in 2011. Together, they accounted for 1.11 per cent of the world's exports of goods and services, substantially below the target of 2 per cent set to be achieved by 2020.

40. The composition of exports continued to be dominated by primary commodities, which accounted for 79 per cent of the least developed countries' exports of goods in 2012. This was slightly higher than in 2010, when primary commodities represented 77 per cent of total exports.

41. Continuing a shift that started more than a decade ago, a growing share of exports from the least developed countries went to developing countries, increasing from 40 per cent in 2000 to 52 per cent in 2012.

42. The rate of progress achieved by developed countries in extending market access to least developed countries slowed somewhat in 2011. The share of least developed countries' exports that benefited from duty-free treatment rose to 83 per cent in 2011, up from an average of 80 per cent between 2005 and 2010. While the majority of developed countries extended full, or virtually full, market access to the least developed countries, the duty-free, quota-free access stipulated in the Doha Development Agenda has yet to be fully implemented and remains a priority.

43. India and the Republic of Korea granted levels of trade preferences comparable to those extended by developed countries. China committed to reaching a duty-free and quota-free coverage of 97 per cent for least developed country exports by 2015, up from the current level of 60 per cent.

44. At the Ninth Ministerial Conference of WTO, held in Bali, Indonesia, in December 2013, WTO members reaffirmed their commitment to duty-free, quota-free market access for the least developed countries. WTO also agreed on the operationalization of the 15-year service waiver and the principle that the new Aid for Trade work programme should be informed by the post-2015 development agenda. WTO members also reached an agreement on trade facilitation that may benefit the least developed countries. These agreements, if implemented, will be an important step towards improving market access to the least developed countries.

[4] See WT/COMTD/LDC/W/51.

Commodities

45. Primary commodities made up almost 80 per cent of the least developed countries' exports of goods during the reporting period. This composition of exports mirrors to a large extent the structure of the least developed countries' production base. The economies of most of these countries are dominated by natural resource-based sectors with limited technology spillovers or opportunities for productivity growth and quality upgrading. The market share of the commodities sector has grown over the past decade, bolstered in part by a commodity price boom. By contrast, manufacturing, considered a good measure of successful economic diversification and structural transformation, stagnated at less than 10 per cent of GDP.

46. There has been some success in commodity and trade diversification. For example, Bangladesh, Cambodia, Ethiopia, Rwanda and the United Republic of Tanzania have developed new sectors and/or achieved a more balanced mix of existing sectors (in favour of higher value added sectors) and/or upgraded the quality of products and services already being produced. These changes have been accompanied by similar changes in the composition of exports.

47. These successes also come with certain challenges, particularly in those countries where the growth model described above seems to have reached its limit after several years of remarkable gains. One challenge is moving beyond the production of ready-made garments to industries with higher value added technology content.

Education and training

48. Given the sustained attention at both the national and global levels, primary education enrolment rates continued to rise in most of the least developed countries. Net primary enrolment increased from 78 per cent in 2010 to 81 per cent in the period 2011-2012. Progress was all the more remarkable in Burkina Faso and the Niger, both of which started off with very low percentages of children enrolled in primary education.

49. Improvement in primary school completion rates did not match the pace at which enrolment expanded. However, the aggregate scorecard on completion rates masks the significant achievements of a few countries. The Lao People's Democratic Republic and Rwanda were among the countries that recorded the strongest reductions in primary school dropouts.[5] Female students, students from poor households and those living in rural areas and with disabilities were less likely to enrol in and complete primary education.

50. Although a growing number of children have been enrolled and gender parity in primary education has been achieved in some of the least developed countries, the quality of education has not kept pace. The limited qualifications of teachers, together with inadequate teaching equipment and increased class size, conspired to hamper the quality of education.

[5] United Nations Educational, Scientific and Cultural Organization, *EFA Global Monitoring Report 2013/4, Teaching and Learning: Achieving quality for all (2014)*.

51. Factors that hindered enrolment and learning in primary education were also common and even more pronounced in secondary, vocational, technical and tertiary education. As a result, enrolment growth was modest at these levels, declining sharply throughout the education ladder. Combined with limited quality, this situation resulted in insufficient knowledge and skills among students entering the labour force.

Population and primary health

52. Child mortality rates declined in most of the least developed countries, although often at a pace below that required to achieve the Millennium Development Goal target, reaffirmed in the Istanbul Programme of Action, of a two thirds reduction from 1990 levels. Average under-five child mortality in the least developed countries was estimated at 85 deaths per 1,000 live births in 2012, a level that far exceeded the average in other developing countries.

53. There were some exceptions. Bangladesh, Ethiopia and Liberia had already met the target, while Bhutan, Madagascar, Malawi, Nepal, Niger and Rwanda reduced their child mortality rates by 60 per cent or more.[6] Factors underlying these gains varied across countries, but they included improved national health systems and health infrastructure, better nutrition for children and mothers, improved access to reproductive health care, the expansion of immunization programmes and improved child and maternal care.

54. The direction of change in maternal mortality rates paralleled that in under-five mortality rates. The countries that made notable gains in increasing child survival also made good progress in reducing maternal mortality. A few other countries that did not increase child survival did make progress in reducing maternal mortality. Despite this progress, however, only Bhutan, Equatorial Guinea and Nepal have achieved the target of cutting maternal mortality rates by three quarters from 1990 levels.[7]

55. The prevalence of HIV as a percentage of the population aged 15-49 in the least developed countries declined marginally, from 2.07 per cent in 2010 to 2 per cent in 2012. Virtually unchanged prevalence rates imply that the absolute number of people affected by HIV/AIDS continued to increase. Lesotho, Malawi, Mozambique and Zambia continued to record double-digit prevalence rates, among the highest in the world. Mortality rates due to AIDS declined, owing to greater access to antiretroviral drugs. Cambodia, Rwanda and Zambia secured access to antiretroviral therapy for 80 per cent or more of their populations living with HIV. Although malaria and tuberculosis cases trended downward, the least developed countries still have the highest incidence of these two diseases in the world.

Youth development

56. Significant improvements have been made in youth literacy as a result of sustained efforts to expand access to primary and secondary education. The literacy

[6] *Millennium Development Goals Report 2013* (United Nations publication, Sales No. E.13.I.9).

[7] World Health Organization, *Trends in Maternal Mortality: 1990 to 2010, WHO, UNICEF, UNFPA and The World Bank estimates* (Geneva, 2012).

rate among persons aged 15-24 rose from 73 per cent in the period 2000-2002 to 81 per cent in the period 2010-2012. Such progress seems to have been uniformly distributed across gender. Although both female and male literacy rates for youth converged, gender imbalances persisted for skills, other than basic reading and writing skills, needed for entering and performing effectively in job markets.

57. Overall, the limited amount of progress made in terms of the acquisition of job-related skills by youth, irrespective of gender, resulted in increasing numbers of unemployed literate youth. Furthermore, low levels of education, lack of employable education and skills, the limited employment generation capacity of many economies and underdeveloped social protection implied that large numbers of youth were also underemployed or involved in low-income self-employment, informal jobs or unpaid work.

58. The issues of youth employment and empowerment have gained increased attention at the global, regional and country levels. The preparatory process in the lead-up to the International Conference on Population and Development beyond 2014 has served as a platform for youth to provide their perspectives on a set of issues relevant to their development. Some of these issues have increasingly found echoes in a growing number of least developed countries. Many of them have adopted action plans, and some have earmarked resources in their budgets for the implementation of youth employment and empowerment programmes.

Shelter

59. Rapid population growth in least developed countries continued to increase the demand for land and housing, particularly in urban areas. The pressures are even stronger in countries in conflict or emerging from conflict, where internally displaced people and returning refugees are further widening the housing gap. The shortage of housing in Afghanistan, for example, is estimated at 1-1.5 million units and is most severe in urban areas.[8]

60. The housing shortage reflects the insufficient supply of affordable dwellings. Among its causes are the high costs of construction, complex land tenures and poorly developed housing finance. Since the supply of affordable housing does not cover the demand, many families revert to the informal housing market, mostly slums and informal settlements. These settlements are often located in low-lying flood-prone areas or on landslide-prone hillsides and lack full access to water, sanitation and energy. All five cities that scored the lowest in the city prosperity index of the United Nations Human Settlements Programme (UN-Habitat) are in least developed countries.[9]

61. Given the growing links with some emerging countries, a number of least developed countries have initiated vast housing projects, including slum upgrades and new housing, all carried out under the auspices of public-private partnerships or by governments. Success has been mixed, with most of these projects being small in

[8] The World Bank, *Expanding Housing Finance to the Underserved in South Asia: Market Review and Forward Agenda* (2010).

[9] United Nations Human Settlements Programme, 2012 (UN-HABITAT), *State of the World's Cities Report 2012/2013: Prosperity of Cities* (Nairobi, 2012).

scale compared with demand and failing to reach the expected beneficiaries: low-income households and the poorest.

Water and sanitation

62. The proportion of people using an improved drinking water source increased slightly from 60.5 per cent in 2005 to 65.1 per cent in 2011. This aggregate figure concealed major progress in Bhutan, Sao Tome and Principe and Tuvalu, where nearly universal access has been achieved. Large differences in access exist between urban and rural areas and among various socioeconomic groups. The aggregate figures also do not fully capture the measure of the challenges of water security across least developed countries, including service reliability and other important dimensions of access, such as the burden in terms of the time and effort required to collect water, which often falls on women and girls.

63. Access to improved sanitation facilities was even more limited. Only about one third of the citizens of the least developed countries have access to basic sanitation facilities. Limited access to improved drinking water sources and sanitation facilities have implications not only for health and the environment, but also for the prospects for achieving gender equality, economic empowerment, education and overall growth in the least developed countries.

Gender equality and the empowerment of women

64. The drive to achieve gender parity in primary education over the past decade has paid off, with more than one third of the least developed countries having reached, or close to reaching, parity. This target was even exceeded in the period 2011-2012 in the Gambia, Mauritania, Rwanda and Senegal. The situation also improved in secondary education, which benefited both from years of improved gender parity in primary education and from campaigns to eliminate obstacles to girls' enrolment, attendance and achievement. There remains a good deal to be done to achieve parity in tertiary education, however. The percentage of female students in tertiary education rose slightly to 39 per cent in the period 2011-2012, up from 35 per cent in 2005.

65. As in many other countries, improved parity in education has not always translated into commensurate gains in paid employment opportunities for women, owing to a host of factors. Limited demand for the training and skills in which most female students specialize and inadequate regulations and practices guiding work and family life, among other things, place women at a disadvantage in labour markets and result in unequal job opportunities. Because of this, the majority of women continue to work in the informal sector. Together with their limited access to productive assets, such as land and capital, and the persistence of violence against women and girls, this limits the contribution of women to development and increases the feminization of poverty.

66. By contrast, the political representation of women, particularly representation in parliaments, continued to improve. The share of women in parliaments more than doubled from 9.3 per cent in 2001 to 19.3 per cent in 2013. Women hold a third or more of parliamentary seats in Angola, Mozambique, Nepal, Rwanda, Senegal, Timor-Leste, Uganda and the United Republic of Tanzania. Of the three countries

that posted the greatest increase in women's representation in parliaments in 2012, two are least developed countries (Senegal and Timor-Leste). The use of legislated quotas for women contributed in part to this success.

Social protection

67. The majority of least developed countries have designed and operationalized formal safety net programmes, ranging from food provision to cash and in-kind transfer programmes. Most schemes are designed to cushion the impact of shocks on the well-being of vulnerable groups.[10] Bangladesh has established more than 30 public safety net programmes to reduce poverty and promote inclusive growth. These programmes complemented those led by the private sector, in particular the Grameen Bank's microfinance programme.

68. Many least developed countries have tried to expand the coverage of existing programmes, some of which have been operated on a pilot basis, and to improve the institutional frameworks underpinning them. Rwanda and the United Republic of Tanzania have designed sustainable and increasingly institutionalized programmes supported by key ministries, such as those of finance, economy and planning. Ethiopia, Guinea, Mali, Mozambique, the Niger and Senegal have designed flexible and predictable safety net systems.[11] Despite these reforms, most safety net programmes continued to be fragmented, donor-reliant, administered on an ad hoc basis and designed as emergency responses, rather than as continuous support instruments, to attend to the needs of large swathes of chronically vulnerable groups.

Economic shocks

69. As least developed countries recover from the economic and financial crisis, fiscal, monetary and exchange rate policies have gradually shifted to a tightening mode, although at varying paces. As a result, fiscal and current account balances have improved and the stock of foreign reserves has expanded slightly. Such gradual rebuilding of domestic policy buffers has been supported in part by continued debt relief efforts, under the enhanced Heavily Indebted Poor Countries Debt Initiative of the World Bank and the Multilateral Debt Relief Initiative of the World Bank and the International Monetary Fund (IMF), which have helped many countries to avoid rapid debt accumulation. The ratio of total foreign reserves to external debt in the least developed countries rose from 54.6 per cent in 2010 to 63.7 per cent in 2011-2012. During the same period, the debt service burden was unchanged.

70. The improved domestic policy buffers have been accompanied by the development of new regional and global financing instruments or the refinement of existing ones. For example, the Executive Board of IMF has allocated additional resources to its concessional financing windows, to which the majority of least developed countries have access. However, the effectiveness of such concessional

[10] These schemes include public works programmes, fee waiver programmes, cash, near-cash transfer programmes, complementary social protection programmes, such as microcredit or grant programmes targeting vulnerable groups, and general price subsidies.

[11] Victoria Monchuk, *Reducing Poverty and Investing in People: The New Role of Safety Nets in Africa* (Washington, D.C., International Bank for Reconstruction and Development/The World Bank, 2014).

financing instruments could be further improved by the addition of resources and better targeting to the needs of the poorest and most vulnerable countries. Also, more flexible conditions for access to these resources would ensure their timely delivery.

71. While both domestic and external buffers have improved, the structural vulnerability of a majority of the least developed countries has increased, owing to the limited diversification of production and export bases. This implies greater exposure to exogenous shocks and an increased likelihood of growth volatility.

Climate change and environmental sustainability

72. The global phenomena of rising air and ocean temperatures, higher sea levels and the melting of glaciers are coinciding with more frequent extreme weather conditions in least developed countries, including storm surges, droughts, tornadoes, cyclones, floods, landslides and flash floods. This suggests that these countries are disproportionately bearing the burden of climate change, as they are the least equipped to recover from these events.

73. Reports indicate that from January 2010 to July 2013, least developed countries suffered two thirds of the global human casualties associated with climate-related events,[12] although these countries account for only one eighth of the world's population.

74. Forty-seven least developed countries have formulated national adaptation programmes of action, with the participation of all major stakeholders, and set priorities that require immediate action. Implementation of these programmes is lagging, however, owing in part to limited delivery of climate-related finance. The total contribution of donors to the Least Developed Countries Fund stood at $680 million as of September 2013, representing only 2 per cent of the fast-start finance commitments made at the Copenhagen Climate Change Conference in 2009.

75. Despite the limited delivery of climate change finance, Bangladesh, Bhutan, Cambodia, Ethiopia, the Gambia, the Lao People's Democratic Republic, Mozambique, Nepal and Rwanda have embarked on low-carbon, climate-resilient development paths, with plans and strategies underpinned by time-bound priorities, financial mechanisms and supportive institutional architecture, building on their national adaptation programmes and nationally appropriate mitigation actions.[13]

Disaster risk reduction

76. The United Nations International Strategy for Disaster Reduction index shows the limited disaster reduction capacity of the least developed countries: the six countries with the highest score (indicating those that compare less favourably) are least developed countries.[14]

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[12] International Institute for Environment and Development, "A burden to share? Addressing unequal climate impacts in the least developed countries", briefing given in November 2013.

[13] International Institute for Environment and Development, "Low-carbon resilient development in the least developed countries", briefing given in November 2013.

[14] Office of the High Representative for the Least Developed Countries, Landlocked Developing

77. Limited resources and high exposure to natural hazards add up to a significant risk for major economic damage. For example, hydrometeorological and other natural hazards caused Mozambique to lose the equivalent of 12 per cent of its gross fixed capital formation in 2011.[15] This damage would be even more substantial in small island countries, whose small size and geographically concentrated population place them at a higher risk for significant losses as a result of earthquakes, cyclones and tsunamis. Estimates from the *Global Assessment Report* global model suggest, for example, that Solomon Islands and Vanuatu are likely to endure losses of more than 30 per cent of the value of their produced capital in the case of an earthquake of such a magnitude that it has a chance of occurring once in 250 years.

78. There has been some progress, including in institutionalizing and mainstreaming disaster reduction management strategies and shifting focus from an ex post disaster response to a more comprehensive approach. Ethiopia and Mozambique have built comprehensive risk profile databases, which will enable planners to formulate appropriate responses based on better risk profiling. Many least developed countries have designed and implemented national disaster reduction strategies, many of them embedded in national development plans. Bangladesh has formulated its national plan for disaster management, whose provisions are consistent with international conventions. Regional initiatives complement national ones, with a shift to multi-hazard risk approaches to disaster reduction management from those focusing on a single risk. The Pacific Catastrophe Risk Assessment and Financing Initiative is one example of such regional initiatives.

79. Despite recent progress, administrative machineries at the national and subnational levels lack expertise, notably skills to assess hazards and manage monitoring operations. Budgetary resources allocated to disaster reduction management (sometimes the product of budget reallocations away from other development priorities) are not commensurate with real needs. Furthermore, the risks posed by climate change are not sufficiently reflected in existing disaster reduction strategies.

Domestic resource mobilization

80. Domestic savings as a percentage of GDP in the least developed countries reached 15 to 16 per cent in the period 2011-2012, higher than the decade average. This level of savings mirrored not only continued strong showings in resource-rich least developed countries, but also rising savings rates in a number of fast-growing least developed countries, including Ethiopia and the United Republic of Tanzania.

81. Underpinning this increased domestic savings is improved government savings, which in turn reflects improved government revenue collection, although from low bases. The ratio of government revenue, excluding grants to GDP, also rose to almost 13 per cent in 2011, but was far behind levels in other developing countries. Exceptionally low domestic resource mobilization by Governments is the by-product of weak economic structures, as well as weaknesses in tax structures and administration.

Countries and Small Island Developing States, "State of the least developed countries 2013: follow-up of the implementation of the Istanbul Programme of Action for the Least Developed Countries" (2013).

[15] United Nations, *Global Assessment Report on Disaster Risk Reduction 2013* (2013).

82. Most of the least developed countries have pursued a number of reforms aimed at strengthening revenue collection and administration capacity. These reforms feature three main components: the adoption of a value-added tax, the introduction of improved tax administration practices and the establishment of autonomous tax administrations.

Official development assistance

83. The decline in official development assistance flows to least developed countries that started in 2011 further accelerated in 2012. Aid from the Development Assistance Committee members of the Organization for Economic Cooperation and Development (OECD) dipped to $40.56 billion in real terms, which corresponded to a 9.4 per cent decrease compared with 2011. This decline was even more pronounced in the least developed countries than in other developing countries, resulting in the reduction of the share of least developed countries in total official development assistance from Development Assistance Committee countries from 0.34 per cent in 2010 to 0.31 per cent in 2012.

84. The steady drop in the number of OECD countries that meet or exceed the lower bound of the United Nations target of 0.15 per cent of gross national income as official development assistance to least developed countries also mirrored this trend, declining from 10 in 2010 and 9 in 2011 to only 8 in 2012. The eight countries were Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom of Great Britain and Northern Ireland. Australia, Germany, Iceland, Japan and New Zealand managed to increase, or at least keep unchanged, their level of aid, in spite of the inauspicious domestic and global economic environment.

85. Preliminary estimates for 2013 and the outlook for 2014 are mixed. Bilateral net official development assistance to least developed countries is estimated to have increased by 12.3 per cent in 2013, probably owing to the debt relief received by Myanmar in that year. More worrisome, however, is the estimate of country programmable aid, a good measure of aid effectively received by recipient countries; it is forecast to abate by 5 per cent in 2014, owing to diminished access to the grant resources on which least developed countries are very much reliant.

86. There has been some limited progress in the quality of aid. The share of untied aid continued to rise in 2012, although it was still below the level reached in 2009. Growing attention was given to productive sectors in aid allocation as well as to the use of recipients' public financial management systems. By contrast, no major breakthroughs were achieved on aid fragmentation and predictability and, as noted above, grant resources have been declining.

External debt

87. Thanks to a decade-long debt relief effort, in particular through the enhanced Heavily Indebted Poor Countries Debt Initiative, the Multilateral Debt Relief Initiative and many years of strong economic growth, the external debt burden of many least developed countries has been brought to sustainable levels. External debt stock as a percentage of gross national income for the least developed countries averaged 28 per cent in 2011 and 2012. Mirroring such relatively low external debt

stock, the ratio of debt service to exports of goods, services and income also declined significantly, reaching 4 per cent in 2012.

88. However, not all least developed countries have benefited from or been eligible for the enhanced Heavily Indebted Poor Countries Debt Initiative or the Multilateral Debt Relief Initiative, and not all those that have been qualified have actually received full debt relief. For example, Chad, Eritrea, Somalia and the Sudan, all least developed countries, have yet to enjoy full debt relief, having failed to meet the conditions for such relief. Furthermore, some beneficiaries of the initiatives have not reaped all their benefits, as a number of smaller multilateral institutions, non-Paris Club official bilateral creditors and commercial creditors, whose share of these countries' outstanding debt stock is not negligible, have granted only part of the expected cancellation. Factors outside these initiatives, particularly continued dependence on developments in commodity prices, are placing some least developed countries at a high risk of debt distress.

89. Although the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative have helped alleviate the debt burden for many least developed countries, they have not fully dealt with debt overhang in vulnerable countries. While the discourse on sovereign debt restructuring has resulted in agreement on the broad principles underpinning such restructuring, including fair burden-sharing between debtors and creditors and legal predictability, this consensus has yet to translate into concrete changes.

Foreign direct investment

90. The least developed countries recorded unprecedented levels of foreign direct investment inflows in 2012 amid low returns on assets in developed countries, benefiting from the increased appetite of global investors for assets in developing countries. These private flows rose to $26 billion, representing a 20 per cent increase compared with the 2011 level.[16] At the same time, foreign direct investment outflows from least developed countries reached $5 billion in 2012. More than 20 least developed countries experienced negative net flows. The volume of greenfield investment projects in the least developed countries receded to its lowest level in six years in 2012. This decline reflected a significant reduction in the number of planned projects in primary and related processing industries.

91. Investment continued to be concentrated geographically and by sector. Resource-rich countries continued to account for the largest share of these flows, with the Democratic Republic of the Congo, Equatorial Guinea, Mozambique, Myanmar and the Sudan attracting over $2 billion each. Not surprisingly, foreign direct investment targeted natural-resource-based sectors, although the share of these sectors in total foreign direct investment flows was eroding. This may bode well if the growing share of the non-natural-resource sector, including manufacturing and services, is accompanied by greater value addition and job creation as well as increased technology transfer and capabilities accumulation.

[16] United Nations Conference on Trade and Development, *The Least Developed Countries Report 2013: Growth with Employment for Inclusive and Sustainable Development* (2013).

Remittances

92. Officially recorded remittance flows to all least developed countries stood at $30.5 billion in 2012. This represented an 11 per cent increase compared with the 2011 level. The sustained growth reflected the continued rise of remittances in some of the largest recipients, particularly Bangladesh and Nepal.

93. Despite some innovations that have been brought to the industry, including the provision of international remittance services by mobile banking operators, the United Republic of Tanzania being a case in point, the costs of remitting continued to be prohibitive and, in some cases, the highest in the world. One reason for the high cost is that most remittances were made in the form of cash through money transfer firms or banks serving as agents for such firms. By contrast, account-to-account or cash-to-account vehicles, which are cheaper, accounted for only a small share of the total flows remitted. The challenge is not only to reduce the costs of remitting, but also to leverage the development impact of these flows, in particular by building productive capacities in least developed countries. More coherent and comprehensive national policies on migration and remittances, together with proper interface in the host countries, would be beneficial to all.

Governance at all levels

94. In most of the least developed countries, leaders are selected through multiparty elections. Checks and balances on executive power have been developed gradually. Progress has been fragile, as shown by instances of temporary relapse to undemocratic systems and setbacks in the electoral process in some countries. Many least developed countries have also made important strides towards increased political participation by women.

95. A majority of least developed countries have committed to fighting corruption. The number of least developed countries that have accepted, signed or ratified the United Nations Convention against Corruption reached 41 in 2013, up from 40 in 2012. In 2013, Guinea and Kiribati ratified the Convention and five least developed countries completed their reviews as part of the Convention's implementation review mechanism. The issues of transfer pricing and illicit capital flows have also gained increased attention in discussions of the Group of Eight and the Group of 20 (G20). Most of these discussions have yet to translate into concrete and effective plans of action, however. If designed and implemented, these plans of action will reverse a major drain of savings, which would have otherwise been channelled to growth and development activities, from the least developed countries.

96. A growing number of least developed countries have also complied with the principles of the Extractive Industries Transparency Initiative, publicly disclosing information on extractive industry revenues accruing to their governments. As of April 2014, 10 least developed countries were compliant with the Initiative, meeting all its requirements, while 7 others had implemented the Initiative but had not yet met all its requirements.

97. Many least developed countries have also continued to make progress in strengthening budget preparation, execution and monitoring, thereby improving the transparency of public spending. For example, at least nine have systems in place for tracking allocations on gender equality. In addition, efforts have been made to

improve tax and customs administration and to broaden the tax base. However, sustaining and accelerating progress will hinge in part on continued support and funding from donors.

98. No significant progress has been made in reforming global governance structures. A set of reforms was proposed to reflect the growing weight of developing countries in the global economy, but the reforms resulted only in increased representation for the World Bank's Executive Board and one additional seat for sub-Saharan Africa, where two thirds of the least developed countries are located. Reforms of the IMF Executive Board and of the countries' quotas were also proposed, but as of April 2014 they had not been adopted, owing to insufficient votes in their favour. Even if the reforms are adopted, the representation of the least developed countries will not match their demographic size and the sheer magnitude of the activities of IMF in these countries.

IV. Engagement of stakeholders in the implementation of the Istanbul Programme of Action

Efforts by Member States to implement the Istanbul Programme of Action

99. After mainstreaming the Istanbul Programme of Action into relevant planning documents for the least developed countries, efficient implementation, follow-up and monitoring at the national level is needed to achieve the specific objective of enabling half of the least developed countries to meet the criteria for graduation by 2020.

100. The successive sessions of the annual workshops for the national focal points of the least developed countries[17] organized by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States have revealed that a majority of the least developed countries have already aligned their national development strategies with the eight priority areas of the Programme of Action and that many of them have moved towards the implementation phase. The level of implementation and progress towards the goals and targets vary across the eight priority areas as well as across least developed countries. However, many least developed countries have made notable progress.

101. In Ethiopia, the Istanbul Programme of Action has been fully integrated into the medium-term national development plan and is now under implementation across the country. Similarly, Tuvalu has aligned its national plan with the priority areas of the Programme of Action and has established sectoral strategies for achieving some of them, including developing a 10-year national energy master plan with the aim of achieving 100 per cent renewable energy by 2020. Currently, the implementation of this plan is under way with renewable energy projects that use

[17] Annual workshops for the national focal points of the least developed countries provide a platform for the policymakers of the least developed countries to review the state of implementation of the Istanbul Programme of Action in their respective countries, identify challenges and share lessons learned and good practices.

geothermal, solar, wind and biomass. This will contribute directly to structural transformation and support private sector growth in Tuvalu.

102. In line with the Istanbul Programme of Action, Nepal has focused its government policies on increasing the productive capacities of its economy. In its current three-year plan, it has focused on generating employment and adding value in agriculture and manufacturing. The financial sector has been expanded to more rural areas and its microenterprise development programme has been implemented in 48 districts. There is a growing realization that a coherent and sustained approach through more investment in infrastructure, energy and productive sectors is critical to promoting sustainable development. These actions have helped somewhat to increase the number of products based on local raw materials and the use of improved technology and skills. Similarly, Burkina Faso has made progress in various areas that contribute to the productive capacity of the country, investing in improving road transport infrastructure, telecommunications and access to energy. Zambia has also been making steady progress towards achieving the objectives of the Istanbul Programme of Action through the implementation of various development programmes. Its economic growth has been driven in large part by the development of the construction, transport, communications, commerce and trade sectors.

103. Several least developed countries have stepped up South-South and triangular cooperation. Guinea, for example, has established technical and scientific programmes with South American and African countries. Djibouti has initiated a number of large infrastructure projects with the support of China and Qatar. South-South and triangular cooperation will be discussed in detail during the Ministerial Conference on New Partnerships for the Development of Productive Capacities in Least Developed Countries, to be held in Cotonou, Benin, in July 2014.

104. In some countries, the early implementation of the Istanbul Programme of Action has also encountered challenges, both domestic and external, including inadequate financial, technical and technological capacities. In particular, improving technical and technological capacities in both the public and private sectors is seen as critical to effectively implementing and operating various investment projects. In addition, the political and security situations in some countries hamper the implementation of national development strategies and the Programme of Action.

105. There has been some progress with respect to graduation from the least developed country category. On 1 January 2014, Samoa graduated from the category, making it the fourth country to do so. In December 2013, the General Assembly resolved that Equatorial Guinea would graduate in June 2017 and Vanuatu in December 2017 (see Assembly resolution 68/18). The Committee for Development Policy is monitoring these graduated and graduating countries, as well as Maldives, which graduated in 2011 (see E/2014/33).

106. The number of least developed countries aspiring to graduate around 2020 has increased further. Many have started preparing assessments of the impact that graduation will have on official development assistance and trade, including through an exchange of views with graduated countries. Several are also drafting graduation strategies.

107. At the 12th round-table meeting for Bhutan and its development partners, which was held in December 2013, the Government of Bhutan presented the eleventh five-year plan, for the period 2013-2018, in which it is strongly reiterated

that graduation from the list of least developed countries by 2020 is one of the Government's top priorities. Another objective of the meeting was to ensure better alignment of development assistance with national priorities to improve the effectiveness of aid.

108. The concerns specific to least developed countries have also been reflected in reports and outcome documents of their development partners. For example, the G20 Leaders' Declaration, issued following the September 2013 meeting held in Saint Petersburg, Russian Federation, makes explicit reference to the Istanbul Declaration and Programme of Action. The Saint Petersburg Accountability Report on G20 Development Commitments makes several references to least developed countries in the areas of agricultural innovation and Aid for Trade and notes the progress already made by G20 members on duty-free, quota-free market access for least developed countries' products.

109. While total resources for Aid for Trade increased significantly in 2012, the share going to least developed countries declined by 2 per cent, to 24 per cent of the total. With support provided through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries, many least developed countries have included new trade-related priorities in their national development strategies, as well as in donor consultations and dialogue. Least developed countries attach importance to value chains as drivers of new Aid for Trade needs. Myanmar joined the Framework in 2013, bringing the total number of beneficiary countries to 49, of which 46 are least developed countries and 3 are recently graduated countries, namely, Cabo Verde, Maldives and Samoa. The Framework's operations, financed through a multi-donor trust fund, totalled around $238 million in contributions at the end of 2013. However, contributions dropped significantly in 2012 and 2013.

110. The Conference of the Parties to the United Nations Framework Convention on Climate Change, at its nineteenth session, in November 2013, agreed on the establishment of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which is expected to increase access to funding related to climate change adaptation for least developed countries. Several countries are prioritizing least developed countries and small island developing States with respect to climate funding through increased contributions to the Least Developed Countries Fund and the Adaptation Fund.

111. There was some progress towards the operationalization of the Green Climate Fund. In February 2014, its board decided that the Fund would aim for a 50-50 balance between mitigation and adaptation over time and for a floor of 50 per cent of the adaptation allocation for particularly vulnerable countries, including least developed countries, small island developing States and African States. However, the current overall commitments for climate change adaptation are not sufficient to cover the financial needs of the least developed countries with respect to climate change adaptation and mitigation.

112. Several bilateral donors announced that they would prioritize least developed countries in their cooperation, mostly together with other groups of countries (e.g., fragile States and Africa), often combined with an increased focus on poverty reduction. Several donor countries featured a majority of least developed countries in their list of partner countries. However, the share of total official development assistance going to least developed countries declined significantly for 10 Development Assistance Committee donors. One reason for this decline is the

increasing share of concessional loans, which are directed mostly to countries other than least developed countries. Several non-Committee donors focused their support for least developed countries on infrastructure development as well as the exchange of experiences and capacity-building, for example, through scholarships. South-South and triangular cooperation in support of least developed country development has also been growing.

Progress with respect to mutual accountability

113. In its resolution 68/224, the General Assembly underlined the need to ensure the mutual accountability of the least developed countries and their development partners and requested the Secretary-General to report on the follow-up to paragraph 145 of the Istanbul Programme of Action regarding the steps taken to ensure mutual accountability. Member States have agreed that necessary steps will be taken to ensure the mutual accountability of least developed countries and their development partners for delivering their commitments undertaken under the Programme of Action.

114. A number of initiatives are already in place to ensure mutual accountability, which can make an important contribution to improving development cooperation partnerships. The annual report of the Secretary-General takes stock of the implementation of the goals and targets of the Istanbul Programme of Action, including commitments made by least developed countries and their development partners. The discussions in the General Assembly and the Economic and Social Council on agenda items 22 (a) and 9 (b), respectively, also provide an important opportunity for least developed countries and their development partners to engage in a dialogue on their respective contributions to the implementation of the Programme of Action. These two processes are critical for the least developed countries and their development partners to implement their respective commitments.

115. The Development Cooperation Forum of the Economic and Social Council serves as an important multi-stakeholder forum for mutual accountability on aid effectiveness. During the deliberations at the Forum's 2014 Germany High-level Symposium on "Accountable and effective development cooperation in a post-2015 era", it was highlighted that the preconditions for accountability are closely related to governance and include real commitments backed by political will, the alignment of priorities by different actors, a culture of accountability and trust and capacity, especially in recipient countries. Malawi reported that it had created an aid management platform that provided online information on donor-financed projects to enhance transparency and alignment with national priorities. A large number of least developed countries participated in a survey on mutual accountability, expressing the high priority that they attached to this issue. One of the findings was that accountability is still skewed towards recipient Governments rather than being truly mutual.

116. Some least developed countries have put in place performance assessment frameworks at the national level, to undertake an assessment of the performance of individual donors on aid effectiveness commitments, which can be a powerful tool to incentivize good performance among donor peers.

117. Despite the processes already in place for mutual accountability, there is still a considerable lag in the fulfilment of the Istanbul Programme of Action commitments

by development partners. Therefore, progress in mutual accountability is vitally important. Country-level experience shows that donor-to-donor peer pressure as well as strong government leadership can be an effective incentive for donors to fulfil their commitments. More voice and participation on the part of least developed countries in the existing peer review processes are also vital. Likewise, the dialogue between least developed countries and their development partners on the roles and responsibilities of each stakeholder in the aid relationship should be more structured. Providing appropriate space and platforms for such dialogue is essential.

Efforts by other stakeholders to implement the Istanbul Programme of Action

118. Parliaments of least developed countries have also been actively involved in the implementation of the Istanbul Programme of Action. During the 129th Inter-Parliamentary Union Assembly in 2013, the Committee on United Nations Affairs discussed the follow-up to the Istanbul Programme of Action, specifically, how to translate the level of commitment reflected in the Programme of Action into effective follow-up action by all development partners. Special attention was paid to the question of how to support the mainstreaming of the Programme of Action into the work of the parliaments of least developed countries and development partner countries. To this end, the discussion also reflected on the findings of focus groups conducted in several least developed country parliaments in close cooperation with the United Nations Development Programme (UNDP) country offices in the lead-up to the session.

119. On the basis of these findings, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States prepared a publication entitled *Parliamentary Engagement in the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020*.[18] It outlines a clear strategy for unlocking the unfulfilled potential of strong parliamentary mobilization in the implementation of the Programme of Action, drawing on evidence that a crucial component of good governance in least developed countries is an active parliament, which promotes key priorities and contributes to forging consensus on development strategies aimed at graduation from least developed country status. In this respect, it is important to make sure that all inflows of funds from development partners are on budget and therefore can be monitored by parliaments.

120. Academia remains involved as well. LDC IV Monitor, a group of think tanks and academic institutions from least developed and partner countries, undertook policy-oriented research on the implementation of the priority areas of action of the Programme of Action and organized events to help maintain and increase the interest of policymakers, practitioners and the public in the outcome of the Fourth United Nations Conference on the Least Developed Countries, held in 2011.

121. On the civil society front, LDC Watch continues to campaign for the prioritization of least developed countries in global partnerships and the mainstreaming in a prominent manner of relevant issues into the post-2015 development agenda. The International Institute for Environment and Development

[18] See http://unohrlls.org/custom-content/uploads/2014/01/IPoA-Parliaments-2013.pdf.

has convened a high-level least developed countries independent expert group on the post-2015 development agenda, chaired by the former Prime Minister of Haiti Michèle Duvivier Pierre-Louis, which has prepared several documents.

122. Private sector partners have been actively engaged in the implementation of the Istanbul Programme of Action. As a follow-up to the private sector initiatives launched in Istanbul, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States organized a high-level event on sustainable energy for the least developed countries in New York in September 2013. Private sector representatives were among the participants in this event, which resulted in an outcome document highlighting the political commitment of the least developed countries to push forward the sustainable energy agenda in partnership with the private sector.

123. The High Representative has also advocated for the interests of the least developed countries as a member of the Sustainable Energy for All Advisory Board and of the Broadband Commission for Digital Development, both of which have significant private sector representation. In addition, the Office of the High Representative has been focusing on energy access and financing for sustainable energy, areas that need active and strong engagement on the part of the private sector to ensure that the goals of the Sustainable Energy for All initiative are achieved in the least developed countries. Through the Broadband Commission, the Office of the High Representative has highlighted the ongoing structural obstacles faced by the least developed countries in their pursuit of increased access to broadband technology and advocated targeted policy measures to address the lack of finance and investment in information and communications technology in least developed countries.

Support by the United Nations system and regional and international organizations for least developed country priorities[19]

124. United Nations coordination mechanisms, such as the High-level Committee on Programmes of the United Nations System Chief Executives Board for Coordination (CEB), took up the issue of the implementation of the Istanbul Programme of Action with a view to ensuring coordination and monitoring on a system-wide basis, including through the implementation of the mandate emanating from General Assembly resolution 67/220.

125. Since 2011, 17 United Nations and other entities have taken decisions to mainstream the Istanbul Programme of Action and integrate its provisions into their work programmes. In order to assist organizations that had not yet been able to do so, the High-level Committee on Programmes tasked the Office of the High Representative with the development of a set of guidelines and best practices as a toolkit for mainstreaming the Programme of Action for consideration by the Committee.

126. During the reporting period, the Office of the High Representative continued to fulfil its functions to assist the Secretary-General in providing effective follow-up

[19] The narrative is based on inputs submitted by the United Nations system and regional and international organizations.

and monitoring of the implementation of the Istanbul Programme of Action and mobilizing international support and resources for its effective implementation.

127. The Office of the High Representative is also tasked with the full mobilization and coordination of the United Nations system with a view to facilitating the coherent and coordinated implementation of the Istanbul Programme of Action at the country, regional and global levels. For this purpose, the High Representative convenes regular meetings of the Inter-Agency Consultative Group for Least Developed Countries, which provide a platform for cooperation among the United Nations system and other international organizations while enhancing the scope and effectiveness of their support for least developed countries. As endorsed by the High-level Committee on Programmes, the Consultative Group is expected to harmonize its agenda with that of the Committee, thereby creating greater synergy between the work of the two bodies and ensuring more focused treatment of matters related to least developed countries in the Committee's deliberations and reports.

128. The United Nations system and other organizations support least developed countries through the provision of operational support, capacity-building and technical assistance as well as policy-oriented research and analysis on development issues covering all priority areas of the Istanbul Programme of Action. The paragraphs below provide a summary of some of the efforts of these organizations.

129. The Office of the High Representative continued its advocacy work to raise international awareness and place the special development challenges confronted by the least developed countries high on the global development cooperation agenda, including with the support of the Department of Public Information. The High Representative focused his advocacy on reflecting these countries' needs and priorities in the post-2015 development agenda and the sustainable development goals.

130. The Office of the High Representative organized a series of events dedicated to fostering partnerships between the least developed countries and their development partners while bringing the least developed countries' priorities forward in the global debate on a post-2015 development agenda. These included: (a) the high-level event on sustainable energy for the least developed countries, co-chaired by the Heads of State of Ethiopia, Liberia and Norway and held on the margins of the general debate of the General Assembly at its sixty-eighth session, in September 2013; (b) a consultative meeting among permanent representatives, held in Glen Cove, New York, in November 2013; and (c) a special event on "The post-2015 development framework: priorities for the least developed countries", held in collaboration with Wilton Park and the International Institute for Environment and Development in the United Kingdom in January 2014.

131. With a view to showcasing the efforts of least developed countries that are aspiring to graduate, the Office of the High Representative collaborated with the Group of Friends of Least Developed Countries in the organization of a ministerial breakfast meeting on graduation, held on 25 September 2013 and co-chaired by the Minister for Foreign Affairs of Turkey and the Minister of Development Cooperation of Belgium, in their capacity as Chairs of the Group of Friends. The meeting provided an opportunity for ministers of aspiring-to-graduate least developed countries to engage in an interactive discussion with ministers of development partners and to gather enhanced support to sustain their development efforts towards the full and timely implementation of the Istanbul Programme of

Action by 2020. In addition, at the request of the Government of Angola, the Office of the High Representative led a national workshop on graduation strategies, in Luanda in July 2013, in close cooperation with the United Nations country team, UNDP and the Economic Commission for Africa (ECA).

132. Analytical work was dedicated to the first report of the Office of the High Representative in a series entitled "The state of the least developed countries". The first report was published in September 2013, with a thematic focus on productive capacity-building, which is the first priority area of the Istanbul Programme of Action. The preparation of the second report is under way, with a focus on the eradication of extreme poverty in the least developed countries.

133. United Nations regional commissions continued to pay special attention in their programming to the needs of the least developed Member States. Among its many activities, ECA supported the establishment of the African Mineral Development Centre to serve as the operational arm of the Africa Mining Vision, and published a study on building economic resilience in African least developed countries to respond to climate change. Another study under way will provide lessons learned in development planning in Africa, including recommendations for least developed countries and their graduation process. The activities of the Office of the Special Adviser on Africa also contributed to the endeavours of African least developed countries towards inclusive growth and sustainable development.

134. The Economic and Social Commission for Asia and the Pacific (ESCAP) carried out numerous capacity-development projects, with a focus on topics ranging from transport infrastructure development and trade facilitation to energy security, water resources, disaster risk reduction and sustainable urban development. In cooperation with the Government of Cambodia, ESCAP and the Department of Economic and Social Affairs jointly organized a regional training workshop on graduation strategies in Siem Reap, Cambodia, in December 2013.

135. The Economic Commission for Latin America and the Caribbean supported Haiti through a project on social protection and conditional cash transfers. In Yemen and the Sudan, the Economic and Social Commission for Western Asia implemented advisory services and conducted capacity-building activities in the area of human and social development; on good governance, statistics and poverty analysis; and on productive capacity, trade and commodities.

136. The United Nations Conference on Trade and Development (UNCTAD) continued to assist least developed countries through its dedicated research and policy analysis, technical cooperation and capacity-building activities. As a contribution to the monitoring of the Istanbul Programme of Action, UNCTAD started developing quantifiable indicators with a view to measuring and benchmarking economy-wide productive capacities in least developed countries. Its *Least Developed Countries Report 2013: Growth with Employment for Inclusive and Sustainable Development* focused on growth with employment for inclusive and sustainable development. Other UNCTAD projects supported the strengthening of the least developed countries' capacity to benefit from information technologies and to address challenges in maritime logistics and effectively manage ports, as well as to effectively negotiate trade facilitation arrangements at the bilateral and regional levels.

137. WTO continued to provide technical assistance and capacity-building to its least developed country member States through, inter alia, the Enhanced Integrated Framework, a multi-donor initiative. In 2013, the WTO Subcommittee on Least Developed Countries mainstreamed the Istanbul Programme of Action by adopting a revised work programme. At the Ninth Ministerial Conference of WTO, held in Bali in December 2013, trade ministers welcomed Yemen as a new member and adopted a least developed country package consisting of specific decisions relating to duty-free and quota-free market access, preferential rules of origin and the least developed country services waiver. A fourth decision on cotton was also of particular importance to the least developed countries.

138. The International Trade Centre continued to provide technical cooperation to least developed countries in export promotion and trade development. Advisory services were delivered to the private sector and Governments of least developed countries that are in the early stages of accession to WTO, in order to raise awareness and build business support. Strengthening the pineapple and cotton export value chains, supporting the silk sector for export diversification and improving economic benefits for women in the coffee sector were the objectives of other projects of the Centre benefiting least developed countries.

139. In the wake of the global financial crisis, IMF worked with low-income countries, many of them least developed countries, to help them increase their resilience to future shocks. It significantly increased the resources available to them, to $17 billion for the period 2009-2014, with no interest applied on any concessional lending through the end of 2014, through the various windows of the Poverty Reduction and Growth Trust, ranging from short-term and emergency financing to medium-term balance of payment support.

140. With the exception of Equatorial Guinea, all least developed countries continued to be eligible for concessional credits or grants to address their most pressing development challenges under the International Development Association of the World Bank Group.

141. Least developed countries also benefited from softer financing terms for projects financed by the International Fund for Agricultural Development in support of small-scale agricultural development, including vocational training and agricultural productivity improvement, pro-poor value chain development and small irrigation projects in 44 least developed countries. Natural resource management was another area of increasing investment.

142. The United Nations Capital Development Fund focused its work on inclusive and local development finance with respect to least developed countries, with its overall approach framed by the Istanbul Programme of Action. In an effort to enhance the mobilization of domestic resources, it implemented the MicroLead expansion programme in 17 least developed countries to increase access to financial services, particularly savings services, by providing grants and loans that incentivized leading providers to start up new financial institutions targeting low-income segments of the population in underserved areas.

143. The assistance provided by the International Atomic Energy Agency to least developed countries focused on developing national technical, managerial and institutional capacities in nuclear science and technology, with the aim of promoting sustainable applications of nuclear techniques in the areas of food and agriculture

productivity, nutrition and health services, water and environment and sustainable energy planning.

144. The United Nations Industrial Development Organization (UNIDO) held its biennial Least Developed Countries Ministerial Conference in Lima, in late 2013. The meeting contributed to leveraging South-South cooperation mechanisms, with support from emerging countries, towards implementing the UNIDO operational strategy 2012-2020 for least developed countries, which is articulated around concrete solutions leading to inclusive growth, sustainable industrial development and, ultimately, structural transformation of the economies of the least developed countries.

145. The United Nations Office for South-South Cooperation supported five least developed countries in their efforts to establish a coherent social protection floor framework through the facilitation of the exchange of best practices, knowledge and skills in this area, provided by experts from Brazil, China, India and Thailand.

146. The International Telecommunication Union continued to implement actions to help the least developed countries bridge their digital gap and leverage the power of information and communications technology and broadband as a fundamental driver of development. The United Nations Office for Project Services provided support to least developed countries through implementation, transactional and advisory services in the areas of sustainable infrastructure, procurement and project management.

147. The United Nations Children's Fund continued to provide focused attention to least developed countries through the partnerships A Promise Renewed, Scaling Up Nutrition and Sanitation and Water for All.

148. Least developed countries received assistance from the Food and Agriculture Organization of the United Nations (FAO) in key priority areas, including the sustainable intensification of crop and livestock production; the management and use of fisheries and aquaculture resources; improved food security and better nutrition; the management and sustainable use of forestry resources; and trade and market development.

149. Food security was at the core of the interventions of the World Food Programme (WFP) in least developed countries, where practically every second child is stunted. Food assistance was expanded and enhanced and safety-net programmes established to address hunger and malnutrition. In partnership with the Government of Brazil, the WFP Centre of Excellence against Hunger worked with 14 least developed countries to strengthen their capacities in the area of school feeding and nutrition.

150. The United Nations Population Fund contributed to strengthening national capacity to incorporate population issues into relevant national public policies, plans and expenditure frameworks in 45 least developed countries and assisted them in achieving universal access to sexual and reproductive health care and reducing maternal mortality.

151. The Joint United Nations Programme on HIV/AIDS interventions, under the global plan for the elimination of new HIV infections among children and keeping their mothers alive, led to 67 per cent coverage with respect to the prevention of mother-to-child infection in least developed countries in 2012, compared with

32 per cent in 2010, a remarkable sign of progress in curbing the epidemic in these countries.

152. Several United Nations agencies strengthened support for least developed countries in the area of climate change and environmental sustainability. UNDP assisted these countries in the formulation and implementation of green low-emission, climate-resilient strategies that allow for more effective responses to emerging opportunities in the climate change finance landscape. Technical support was also provided through its "Boots on the Ground" Strategic Initiative to Address Climate Change in the Least Developed Countries to enhance readiness to gain access to climate financing and implement sectoral reduction mechanisms.

153. The United Nations Educational, Scientific and Cultural Organization (UNESCO) provided targeted assistance through its dedicated climate change and action plan focusing on strengthening the climate change knowledge base for science, assessment, monitoring and early warning, and on promoting climate change mitigation and adaptation through enhanced education and public awareness.

154. The promotion of gender equality and the empowerment of women were at the core of the intervention by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) in least developed countries, through programmes designed to engage women in peace and security processes, increase women's political participation and engage men and boys in the prevention of violence against women and girls. In this area, least developed countries also benefited from the continued implementation of the priority gender equality plan of UNESCO.

155. The Poverty-Environment Initiative, jointly administered by UNDP and the United Nations Environment Programme (UNEP), delivered financial and technical support to sustain capacity-building in 12 least developed countries to mainstream poverty-environment linkages into national development policy, planning and budgeting processes. In partnership with UNDP and FAO, UNEP worked with the Governments of least developed countries to bolster capacities to reduce emissions from deforestation and forest degradation.

156. UNDP assisted least developed countries in the area of good governance, including support for reforms of institutional, legal and regulatory frameworks, as well as towards increasing the efficiency and transparency of public sector service delivery. The assistance provided by the United Nations Office on Drugs and Crime to least developed countries encompassed the fight against corruption, transnational crime and illicit trafficking, the smuggling of immigrants and criminal justice.

157. The International Labour Organization continued to work closely with least developed countries to advance productive employment, skills development, and decent work and income opportunities. The capacities of the least developed countries were strengthened through the technical assistance provided by the International Organization for Migration in migration and border management and in managing resources of the diaspora for the inclusive growth and sustainable development of home countries.

V. Conclusions and recommendations

158. Three years into the process of implementation of the Istanbul Programme of Action, the least developed countries have continued to make progress towards achieving the goals and targets agreed upon in Istanbul. Both the least developed countries and their development partners have intensified their efforts to mainstream the Programme of Action into their national development and development cooperation strategies. Yet, many least developed countries are unlikely to reach the Millennium Development Goals and the targets of the Programme. Timely achievement of the Programme's goals and targets requires strengthened and coherent actions by the least developed countries and their development partners in the Programme's eight priority areas. Equally, the interests and concerns of these countries should be at the centre of actions during the remaining time leading up to the target date of the Millennium Development Goals.

159. It is important that the Istanbul Programme of Action be firmly integrated into the post-2015 development agenda and the sustainable development goals, since the Programme of Action captures, in its eight priority areas, important aspects of the three dimensions of sustainable development, with a special focus on the most marginalized people of the world. As stated in the Secretary-General's report entitled "A life of dignity for all: accelerating progress towards the Millennium Development Goals and advancing the United Nations development agenda beyond 2015" (A/68/202 and Corr.1), the sustainable development agenda in the post-2015 framework should leave no one behind and should be transformative, so that a life of dignity for all can be ensured.

160. The focus on building robust and sustainable productive capacity in agriculture, manufacturing and services in the least developed countries must continue. As noted above, progress in this regard is the key to achieving economic transformation and social progress, reducing dependence on external assistance and integrating into global value chains in particular and the globalized world economy and trade in general. Development partners should strengthen their support for the least developed countries in this area.

161. As noted above, government revenues in the least developed countries have been increasing, albeit slowly. These trends, as well as the actions of these countries to combat corruption and increase transparency, need to be strengthened. Several least developed countries are among the top performers with respect to easing obstacles associated with the creation and running of businesses. Further efforts in this area are needed, and support (for capacity-building in tax and customs administration, for example) needs to be stepped up. It is also important that all stakeholders continue to focus activities in support of the efforts of the least developed countries towards gender equality and women's empowerment.

162. The moderate progress made towards achieving the goals and targets of the Istanbul Programme of Action and the growing challenges faced by the least developed countries underline the need for their development partners and other stakeholders to give them due priority. This is not only an imperative in and of itself, but also a means to promote a stable and peaceful global order. The recent decline in official development assistance to the least developed countries, which has been steeper than the reduction in aid to other developing countries, is particularly worrisome. Unless corrective actions are taken, this decline is expected

to continue, according to the Development Assistance Committee's *Outlook on Aid: Survey on Donors' Forward Spending Plans 2013-2016*. This trend must be reversed, with important steps taken to live up to the official development assistance commitments set forth in the Istanbul Programme of Action. More priority should be given to the least developed countries in the allocation of this assistance and other resources at a level commensurate with their needs and complex challenges.

163. With respect to mutual accountability, more structured dialogue between the least developed countries and their development partners on the roles and responsibilities of each stakeholder in the aid relationship is vitally important. Providing appropriate space and platforms for such dialogue is essential. Thus, the national voluntary presentations under the annual ministerial review of the Economic and Social Council should include a focus on the fulfilment of commitments by least developed countries and their development partners on the implementation of the Istanbul Programme of Action. The Development Cooperation Forum of the Council should serve as a universal forum for mutual accountability on aid effectiveness. The high-level political forum on sustainable development should also constantly review the progress made by least developed countries in fulfilling the aspirations set out in the Istanbul Programme of Action as well as other internationally agreed development goals. In order to enhance both mutual and domestic accountability, the availability of timely and accurate data is also crucial. Thus, capacity-building for data collection and processing must be enhanced, especially in areas likely to be covered by the sustainable development goals and related targets and indicators.

164. The least developed country package agreed upon at the Ninth Ministerial Conference of WTO, held in Bali in 2013, has the potential to advance the cause of least developed countries in the multilateral trading system, especially with respect to duty-free, quota-free market access, through guidelines for simplified and flexible preferential rules of origin, the possibility of preferential treatment in trade in services through a waiver, and enhanced transparency and monitoring of trade-related aspects of cotton.

165. These agreements, if implemented, would be important steps towards improving market access for the products of the least developed countries. They should, however, be complemented by a significant reduction in non-tariff barriers, which constitute a major impediment to market access. Therefore, concrete follow-up actions are also required to implement these decisions. For example, the least developed countries should identify markets where rules of origin are a significant obstacle to exporting. All partners should simplify and harmonize the rules of origin for the least developed countries in order to facilitate better market access for their products. Trading partners should indicate in what areas and modes of supply the service waiver could be implemented.

166. Furthermore, channelling a larger share of Aid for Trade resources to least developed countries would assist these countries in removing their production and supply bottlenecks, enabling them to better utilize market access opportunities. More resources with longer-term predictability should be ensured for the Enhanced Integrated Framework in order to help enhance the trading capacity of these countries.

167. As noted above, one of the positive developments in the implementation of the Istanbul Programme of Action is the unprecedented 20 per cent increase in the

levels of foreign direct investment inflows to the least developed countries between 2011 and 2012. Even though this investment is concentrated in some sectors and in some countries, stronger policies and actions by both these countries and foreign direct investment home countries can play a crucial role in further enhancing foreign direct investment flows that would contribute to ensuring inclusive and rapid growth and structural transformation in the least developed countries. The Office of the High Representative has launched the preparation of a report, in line with the request made by the General Assembly in resolution 67/220, focusing on national policies and regulatory frameworks for stimulating foreign direct investment in least developed countries and outlining options and modalities of investment promotion regimes for least developed countries. It is expected that the report, which will be completed before the sixty-ninth session of the Assembly, will provide useful guidance in this respect. The timely operationalization of the Technology Bank and Science, Technology and Innovation Supporting Mechanism for the Least Developed Countries will constitute an important milestone in the implementation of the Programme of Action.

168. Given the deepening relationships between the least developed countries and emerging economies and the significant potential for further expansion, South-South cooperation and triangular cooperation should be strengthened in all areas of the Istanbul Programme of Action with a more institutionalized approach to collaborative effort. Similarly, resources from innovative financing should be made available for the development of the least developed countries.

169. Support by the United Nations system and some regional and international organizations continues to focus on least developed countries and their specific needs, as evidenced by the many activities noted above. However, more entities should take decisions towards the mainstreaming of the Istanbul Programme and integrate its provisions into their work programmes. In addition, building on progress in this area, the Office of the High Representative should continue to make efforts towards harmonizing the agenda of the Inter-agency Consultative Group on Small Island Developing States with that of CEB, with a view to assisting CEB in its work on least developed country issues.

170. Continued coordinated support for the least developed countries, led by the Office of the High Representative, will remain critical in order for these countries to effectively articulate their needs and concerns in the process of formulating the post-2015 development agenda and the sustainable development goals. Financial contributions by a number of development partner countries from both North and South have helped in undertaking this important task, and all stakeholders are invited to enhance their support in this regard. The report entitled "State of the least developed countries 2013"[20] and other analytical work of the Office should continue to focus on the critical development issues faced by these countries. Annual workshops of the national focal points of the least developed countries need to focus further on sharing experiences, with the view to accelerating progress towards achieving the goals and targets of the Istanbul Programme of Action and other internationally agreed goals.

171. It is encouraging that the number of least developed countries announcing their intention to reach graduation status around 2020 is increasing. These countries

[20] See http://unohrlls.org/custom-content/uploads/2013/10/State-of-the-LDCs-2013.pdf.

should start to prepare their smooth transition strategy as early as possible and request specific support. Development partners should enhance smooth transition measures for graduated countries in a flexible manner. As requested by the General Assembly in its resolution 68/224, relevant organizations of the United Nations system, led by the Office of the High Representative, should also step up their assistance to graduating countries to support their smooth transition from least developed country status.

172. The midterm review of the Istanbul Programme of Action will provide an important opportunity to assess its effective implementation, highlight progress made and address continuing challenges. It is crucial that preparations at the national, regional and global levels start early in order to allow for meaningful deliberations. It is also important that the United Nations system, especially the relevant regional commissions, as well as all relevant stakeholders, be fully engaged in these preparations. The midterm review is expected to be a central element of mutual accountability with respect to the Programme of Action and will help guide the United Nations system towards its effective implementation.

Annex

Data

The indicators contained in the present annex were calculated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States using information from official, published sources, which are cited with each table. The newest available data were used in each case; as a result, some of the data may differ from those published in previous years. In addition, owing to differences in methodology, the aggregates published here may differ somewhat from other published sources.

Aggregates are weighted as appropriate, treating all countries in the group as if they were one country, with the exception of the Liner shipping connectivity index (table 2) and percentage of parliamentary seats held by women (table 5), in which simple averages are shown. In cases where data for a particular country are unavailable for one or more of the time periods shown, data for that country have been omitted from the aggregates for that indicator.

Years separated by a hyphen (such as 2001-2010) indicate data based on averages for the period shown, unless otherwise indicated in the notes to the tables. Years separated by a slash (such as 2009/2010) indicate that data are shown for the most recent year available in the period.

A more detailed dataset with figures for individual countries is available at http://unohrlls.org/about-ldcs/indicators-and-statistics.

Table 1
Economic growth and poverty

	Annual growth rate of gross domestic product (in constant United States dollars) (percentage)						*Percentage of population below international poverty line*
	2009	*2010*	*2011*	*2012*	*2013*	*2014*	*2001-2010*
African least developed countries	4.5	5.6	4.0	3.2	5.7	5.9	55.0
Asian and Pacific least developed countries	6.7	6.9	3.6	6.1	5.5	5.4	41.5
All least developed countries	**5.3**	**5.9**	**3.9**	**4.3**	**5.6**	**5.7**	**50.8**

Source: United Nations Statistics Division (http://unstats.un.org/unsd/databases.htm); World Bank, Development Research Group (http://iresearch.worldbank.org/PovcalNet/index.htm); United Nations Department of Economic and Social Affairs; International Monetary Fund.

Note: Figures for the proportion of the population below the poverty line are averages of all available observations between 2001 and 2012.

Table 2
Productive capacity

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2001-2010	*2011-2012*	*2001-2010*	*2011-2012*	*2001-2010*	*2011-2012*
Value-added share of manufacturing, agriculture and services						
Value-added share of manufacturing (percentage of GDP)	7.4	6.9	14.1	15.1	**9.9**	**9.5**
Value-added share of agriculture (percentage of GDP)	28.1	25.5	22.4	22.7	**26.0**	**24.6**
Value-added share of services (percentage of GDP)	40.8	40.1	49.2	50.9	**43.9**	**43.5**
Gross capital formation (percentage of GDP)	21.5	23.2	22.8	26.1	**22.0**	**24.1**
	2011	*2012*	*2011*	*2012*	*2011*	*2012*
Connectivity						
Internet users (per 100 people)	6.0	6.8	5.4	6.7	**5.8**	**6.8**
Mobile-cellular subscriptions (per 100 people)	38.6	43.3	47.6	56.3	**41.9**	**48.2**
Liner shipping connectivity index	8.0	8.7	5.9	6.0	**7.4**	**7.9**
	2000	*2010*	*2000*	*2010*	*2000*	*2010*
Energy						
Access to electricity (percentage of population)	13.1	19.1	39.1	52.8	**23.6**	**31.5**
Urban	45.0	54.4	85.3	87.8	**60.9**	**66.1**
Rural	2.4	5.3	21.3	39.9	**10.0**	**18.1**
Share of renewable capacity in total capacity (percentage)	74.9	70.9	29.4	37.1	**57.1**	**55.1**
Change in total installed generation capacity per capita, 2000-2010		6.3		65.7		**27.3**

Source: World Bank, national accounts data (http://databank.worldbank.org/data/home.aspx); International Telecommunication Union, World Telecommunication/ICT Development Report and database and World Bank estimates; United Nations Conference on Trade and Development, Review of Maritime Transport 2010; Sustainable Energy for All Global Tracking Framework (http://www.se4all.org/tracking-progress).

Table 3
Agriculture, food security and rural development

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2006/2008	*2009/2012*	*2006/2008*	*2009/2012*	*2006/2008*	*2009/2012*
Malnutrition prevalence (percentage of children under 5)						
Weight for age	21.8	19.4	39.8	34.9	**29.2**	**25.3**
Height for age (stunting)	41.8	39.8	43.9	41.2	**42.6**	**40.3**
		2006/2009		*2006/2009*		*2006/2009*
Agricultural irrigated land (percentage of total agricultural land)		1.1		13.6		4.2
	2001-2010	*2011-2012*	*2001-2010*	*2011-2012*	*2001-2010*	*2011-2012*
Value-added share of agriculture, percentage difference	-0.6	0.9	-2.3	-2.4	**-1.1**	**-0.1**

Source: World Health Organization, Global Database on Child Growth and Malnutrition (http://www.who.int/nutgrowthdb/en); Food and Agriculture Organization of the United Nations (http://www.fao.org/statistics/en); World Bank national accounts data (http://databank.worldbank.org/data/home.aspx).
Note: For value-added share of agriculture, a negative sign indicates that the value-added share has decreased.

Table 4
Trade and commodities

	Percentage of exports in world total exports				*Exports of primary commodities, percentage of total exports*			
	2001	*2005*	*2010*	*2012*	*2001*	*2005*	*2010*	*2012*
African least developed countries	0.3139	0.5046	0.6910	0.7946	89	93	93	94
Asian and Pacific least developed countries	0.2341	0.2312	0.3077	0.3081	39	44	43	40
All least developed countries	**0.5525**	**0.7403**	**1.0025**	**1.1072**	**67**	**77**	**77**	**79**

Source: United Nations Conference on Trade and Development (http://unctadstat.unctad.org).

Table 5
Human development

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2010	*2011/2012*	*2010*	*2011/2012*	*2010*	*2011/2012*
Education						
Net enrolment in primary education (percentage)	77	80	88	91	78	81
Pupil/teacher ratio in primary education	51	46	39	37	47	43
Net enrolment in secondary education (percentage)	20	22	46	47	37	38
Pupil/teacher ratio in secondary education	33	31	27	24	30	29
Gross enrolment in tertiary education (percentage)	5	6	13	12	7	9
	2005	*Most recent†*	*2005*	*Most recent†*	*2005*	*Most recent†*
Population and primary health						
Under-five mortality rate (deaths per 1,000 live births)	130	95	76	54	115	85
Infant mortality rate (deaths per 1,000 live births)	81	63	57	42	74	58
Maternal mortality rate (deaths per 100,000 births)	611	493	368	264	541	433
Contraceptive prevalence (percentage of women aged 15-49)		20		46		31
HIV prevalence (percentage of population aged 15-49)	3.8	3.3	0.3	0.2	2.3	2.0
	2000/2002	*2010/2012*	*2000/2002*	*2010/2012*	*2000/2002*	*2010/2012*
Youth development						
Youth literacy (percentage of population aged 15-24)	74	78	72	83	73	81
Female literacy (percentage of female population aged 15-24)	69	75	68	83	68	80
	2005	*2011*	*2005*	*2011*	*2005*	*2011*
Shelter, water and sanitation						
Percentage of population using an improved drinking water source	52	57	73	78	60	65
Urban	80	82	83	86	81	83
Rural	42	47	69	75	53	58
Percentage of population using an improved sanitation facility	23	27	47	53	33	36
Urban	38	40	62	65	47	49
Rural	17	21	43	49	27	31
	2005	*Most recent‡*	*2005*	*Most recent‡*	*2005*	*Most recent‡*
Gender equality and empowerment of women						
Percentage of parliamentary seats held by women	16	22	7	13	14	19
Percentage of female students in primary education	48	48	48	48	48	48
Percentage of female students in secondary education	42	44	48	49	45	46
Percentage of female students in tertiary education	40	35	36	35	39	35

(Footnotes on following page)

(Footnotes to table 5)

† Most recent figures for under-five mortality, infant mortality and HIV prevalence are dated 2012. Figures for maternal mortality are dated 2010. Contraceptive prevalence figures are an average of reported data from 2001-2011.

‡ Most recent figures for parliamentary seats held by women are dated 2013. Most recent figures for percentage of female students in primary, secondary and tertiary education are dated 2011/2012.

Source: United Nations Educational, Scientific and Cultural Organization Institute for Statistics (http://www.uis.unesco.org); United Nations Inter-agency Group for Child Mortality Estimation (http://www.childmortality.org); United Nations Maternal Mortality Estimation Inter-agency Group (http://www.maternalmortalitydata.org); World Bank, World Development Indicators (http://databank.worldbank.org); Joint United Nations Programme on HIV/AIDS estimates (http://www.unaids.org/en/dataanalysis/datatools/aidsinfo); Inter-Parliamentary Union (www.ipu.org); World Health Organization/United Nations Children's Fund Joint Monitoring Programme for Water Supply and Sanitation (http://www.wssinfo.org).

Table 6
Multiple crises and emerging challenges

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2010	*2011-2012*	*2010*	*2011-2012*	*2010*	*2011-2012*
Total reserves (percentage of external debt)	46.9	55.6	66.8	77.4	54.6	63.7
Total debt service (percentage of exports of goods, services and income)	4.0	4.4	4.7	3.9	4.3	4.2
Total debt service (percentage of government expenditure)	9.8	10.3	15.2	16.6	10.8	11.4

Source: International Monetary Fund, International Financial Statistics and data files (http://www.imf.org/external/data.htm); World Bank, International Debt Statistics (http://databank.worldbank.org).

Table 7
Mobilizing financial resources for development and capacity-building

	Gross domestic savings (percentage of GDP)			*Government revenue, excluding grants (percentage of GDP)*		
	2001-2010	*2011*	*2012*	*2001-2010*	*2010*	*2011*
African least developed countries	16.3	19.2	17.1	12.3	12.7	13.8
Asian and Pacific least developed countries	12.5	12.2	13.0	10.6	11.8	12.4
All least developed countries	**14.5**	**15.9**	**15.1**	**11.1**	**12.1**	**12.8**

Source: World Bank, national accounts data (http://databank.worldbank.org); International Monetary Fund, Government Finance Statistics Yearbook and data files (http://www.imf.org/external/data.htm).

Table 8
Aid from Organization for Economic Cooperation and Development Assistance Committee countries to least developed countries

	Net disbursements								
	2001-2002			*2011*			*2012*		
	USD millions	*Percentage of donor's total*	*Percentage of donor's GNI*	*USD millions*	*Percentage of donor's total*	*Percentage of donor's GNI*	*USD millions*	*Percentage of donor's total*	*Percentage of donor's GNI*
Australia	238	26	0.06	1 373	28	0.09	1 639	30	0.11
Austria	160	28	0.08	296	27	0.07	244	22	0.06
Belgium	349	36	0.14	1 064	38	0.20	704	30	0.14
Canada	359	20	0.05	1 943	36	0.11	1 945	34	0.11
Czech Republic	6	17	0.01	63	25	0.03	59	27	0.03
Denmark	571	35	0.35	1 090	37	0.32	1 004	37	0.31
Finland	144	34	0.11	461	33	0.17	445	34	0.18
France	1 558	32	0.11	3 616	28	0.13	2 533	21	0.10
Germany	1 364	26	0.07	3 675	26	0.10	3 678	28	0.11
Greece	45	19	0.04	67	16	0.02	50	15	0.02
Iceland	5	40	0.06	12	45	0.10	12	45	0.10
Ireland	189	55	0.20	479	52	0.27	418	52	0.24
Italy	885	45	0.08	1 521	35	0.07	701	26	0.04
Japan	2 058	22	0.05	4 115	38	0.07	4 640	44	0.08
Korea	63	23	0.01	474	36	0.04	579	36	0.05
Luxembourg	48	34	0.26	152	37	0.36	146	37	0.37
Netherlands	1 119	34	0.28	1 457	23	0.17	1 166	21	0.15
New Zealand	33	28	0.07	123	29	0.08	144	32	0.09
Norway	575	38	0.32	1 524	32	0.31	1 382	29	0.27
Poland	14	58	0.01	87	21	0.02	78	18	0.02
Portugal	174	59	0.15	345	49	0.15	177	30	0.09
Slovak Republic	1	8	0.00	17	20	0.02	15	19	0.02
Spain	300	17	0.05	1 075	26	0.07	483	24	0.04
Sweden	570	31	0.25	1 939	35	0.35	1 542	29	0.29
Switzerland	267	29	0.09	798	26	0.12	710	23	0.11
United Kingdom	1 534	32	0.10	5 195	38	0.21	4 615	33	0.19
United States	2 638	21	0.03	11 786	38	0.08	11 419	37	0.07
Total	**15 268**	**27**	**0.06**	**44 746**	**33**	**0.10**	**40 527**	**32**	**0.09**

Note: Includes imputed multilateral flows, i.e., making allowance for contributions through multilateral organizations, calculated using the geographical distribution of multilateral disbursements for the year of reference.
Source: Organization for Economic Cooperation and Development aid statistics (http://www.oecd.org/dac/stats).

Table 9
External debt and debt forgiveness

	External debt stock (percentage of GNI)		*External debt stock, percentage point difference*	*Debt forgiveness or reduction, cumulative since 2002 (percentage of GDP)*
	2011	*2012*	*2011-2012*	*2002-2012*
African least developed countries	30	30	0	-24
Asian and Pacific least developed countries	26	25	0	-2
All least developed countries	**28**	**28**	**0**	**-17**

Source: World Bank, International Debt Statistics (http://databank.worldbank.org).

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Letter dated 30 May 2014 from the Permanent Representative of the Gambia to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of the Gambia on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the substantive session of 2014 of the Economic and Social Council (see annex).

I should be grateful if you would have the present letter and the annex thereto circulated as a document of the Council, under item 5 (c) of the provisional agenda.

(*Signed*) Mamadou **Tangara**
Permanent Representative

* E/2014/1/Rev.1, annex II.

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Annex to the letter dated 30 May 2014 from the Permanent Representative of the Gambia to the United Nations addressed to the President of the Economic and Social Council

National report for the national voluntary presentation of the Gambia to the Economic and Social Council

Summary

The present report provides a brief picture of the implementation of the Millennium Development Goals by the Government of the Gambia over the past few years. It highlights performance, identifies the key challenges encountered and features current policy interventions and lessons learned. The last section also sets out the next steps in the implementation process, serving as an invitation for new donor interventions. The presentation emphasizes five areas important to the Gambia for achieving integrated development, namely, poverty eradication, education, health, gender equality and sustainable development.

In general, considerable progress was registered in the implementation of international development goals. The overall poverty rate declined steadily by about 10 percentage points to 48.4 per cent in 2010 for the population below the poverty line of $1.25 per person per day from 58.0 per cent in 2003/04. The country will probably fall short of reaching the Millennium Development Goal target of halving poverty by 2015.

In education and health, stronger positive performance was registered. Progress in education is reflected across all key indicators. The population of pupils starting grade 1 reached 95.3 per cent in 2010, and thus the Millennium Development Goal target of 100 per cent is expected to be achieved; the retention rate is improving, though it requires greater effort; and literacy rates have increased nationwide. On the health front, child mortality indicators are improving satisfactorily. The under-five mortality rate declined to 109 per 1,000 live births from 131 and the infant mortality rate also decreased, to 81 from 93, between 2005 and 2010, respectively. The latter rate dipped further to 54 per 1,000 live births in 2013.

The progress in promoting gender equality presents mixed results. With respect to women's role in the decision-making process particularly, representation in the National Assembly is advancing, although at a snail's pace. Marked gains have been registered in gender equality in senior positions of the civil service, notably the Cabinet. There is still a gap in the school retention rate between boys and girls, and there remain challenges associated with capacity-building for women.

In terms of sustainable development, the Government of the Gambia has undertaken myriad measures to protect the environment and ensure sustainable livelihoods, while promoting economic growth.

Notwithstanding the remarkable progress and achievements accomplished, as noted in the present report, there are a number of outstanding issues that must be addressed by the Government of the Gambia and the international community to allow the Gambia to attain most, if not all, goals and targets of the Millennium Development Goals. Furthermore, good practices and lessons learned can be drawn from the implementation process undertaken so far.

I. Introduction

1. The Gambia is a small, open country classified by the United Nations as a least developed country with an estimated per capita income of $486,[a] a land area of 10,690 square kilometres and 1.9 million inhabitants. The country is surrounded on all sides by Senegal but for the Atlantic Ocean in the west. The country is divided into five administrative regions, the West Coast Region, the Lower River Region, the Central River Region, the Upper River Region and the North Bank Region, as well as the city councils of Kanifing and Banjul, the capital.

2. There are seven major ethnic groups in this predominantly Muslim country, with many Christian denominations and traditionalists. Peaceful coexistence in diversity, predicated on a very high degree of social tolerance, makes the Gambia a preferred destination for European tourists. The country's immigrant population features a microcosm of nationalities from throughout West Africa. Wide disparities in economic and social living conditions exist between urban and rural dwellers, providing additional dimensions to the already challenging tasks of reducing poverty and moving a subsistence-oriented and low-income country out of the least developed country category by 2020.

3. The country has significant fisheries resources, sun and ecotourism, buoyant entrepot trade and substantiated petroleum reserves. Agriculture remains the largest sector in the economy, accounting for about 32 per cent of gross domestic product (GDP) in 2010 and employing the bulk of the labour force.

4. The national economy has grown steadily over the past two decades, with an annual average growth rate of 6 per cent between 2007 and 2010. It contracted by 3.4 per cent in 2011 owing to crop failure occasioned by drought before recovering to grow at an annual average of over 6 per cent in 2012/13. A rebound in agricultural output and remittances that benefited consumption and the construction sector helped growth. The Government of the Gambia aims to accelerate economic growth to improve the living conditions of its people, meet Millennium Development Goals by 2015 and graduate from least developed country status by 2020.

5. In the African Human Development Report 2012, the Gambia is positioned at 165 out of 186 countries, with a Human Development Index value that rose from 0.323 to 0.439 between 1990 and 2012, or by 36 per cent. The Gambia has been one of the front-runners in West Africa in terms of improvements in human welfare during the period of implementation of the Millennium Development Goals. However, poverty remains widespread in rural areas and among youth, coupled with greater inequality and high unemployment.

6. The 2013 Global Hunger Index ranked the Gambia 33 out of 78 countries, with a score of 14, over the seriousness threshold of 10. Natural hazards, climate change, failed crops and higher food prices keep certain vulnerable groups in hunger during protracted periods.

7. Poverty reduction forms the cornerstone of the Government's development agenda. The 2010 integrated household survey revealed that the determinants of poverty are place of residence (rural poverty higher than urban poverty), average household size (larger households doing less well), educational attainment of head

[a] Source: 2014 projection in 2013 International Monetary Fund article IV consultations report.

of household (the lower the level of education, the worse off), gender of head of household (women less favoured), sector of employment of head of household (agriculture the least lucrative sector), and malnutrition (a symptom of poverty that has a higher incidence in the rural population).

8. The Gambia's experiences in poverty reduction and sustainable development initiatives date back to structural adjustment programmes in the 1980s, which were followed by the Programme for Sustainable Development in the 1990s. The Gambia also successfully implemented the Poverty Reduction and Growth Facility programme between 2007 and 2011 and qualified for the Heavily Indebted Poor Countries Debt Initiative (HIPC) in November 2007. "Vision 2020" in 1996, two poverty reduction strategy papers and the current Programme for Accelerated Growth and Employment, for the period 2012-2015, form policy frameworks mainstreaming the Millennium Development Goals into public policies and driving the country's poverty reduction and growth initiatives towards middle-income status. The principal objective of the Programme for Accelerated Growth and Employment is to accelerate growth and employment opportunities in order to increase welfare. It reaffirms the Government's strong commitment to achieving the Millennium Development Goals. The Programme has five pillars: accelerating and sustaining economic growth; improving and modernizing infrastructure; strengthening human capital stock to enhance employment opportunities; improving governance and fighting corruption; and reinforcing social cohesion and cross-cutting interventions.

9. The Programme for Accelerated Growth and Employment sets a target of an 11.5 per cent annual economic growth rate, which is intended to reduce the incidence of poverty by 15 percentage points and help the country achieve Millennium Development Goal 1 by 2015 and set the stage for meeting others. This level of growth was not reached as a result of unfavourable weather conditions in 2011. It is projected that halving poverty by 2015 will be a tall order.

10. The Gambia participated in the negotiations on the international environmental conventions and in the World Summit on Sustainable Development. The implementation of those conventions and the National Environmental Management Act 1994 through Gambia Environmental Action Plans 1 and 2 has been a priority of the Government. An institutional framework exists to integrate the three pillars of sustainable development: economic growth, social development and the protection of the environment.

11. Overall, by the planned timeline, the country stands to meet Millennium Development Goals 2 and 4 and to register substantial progress on Goals 3, 6, 7 and 8, while formidable challenges remain to achieving Goals 1 and 5. Following is a detailed presentation of necessary next steps for further progress by 2015, together with what has worked in the success stories.

II. Implementation of the Millennium Development Goals

A. Eradicate extreme poverty and hunger

1. Performance[b]

12. The incidence of poverty in the Gambia is greater in rural areas (the Lower River Region, the Central River Region, the Upper River Region and the North Bank Region) than in urban areas (Banjul, Kanifing and the West Coast Region). Poverty is largely a rural phenomenon: there are fewer paved roads, less connectivity to the electric power and telecommunications grids, less access to potable water and modern sanitation and fewer heads of households employed in agriculture. Other factors, shared by both rural and urban areas, are heads of families who are women or have little schooling or large families.

13. It has been observed that, since 2003, poverty has been decreasing in the Gambia. Overall poverty decreased from 69 per cent in 1998 to 58 per cent in 2003. The poverty assessments show that poverty decreased from 58 per cent in 2003 to 55.5 per cent in 2008. Using the less than $1 per person per day threshold as the discriminant, poverty decreased from 58 per cent in 2003 to 36.7 per cent in 2010. In comparison, using the less than $1.25 per person per day threshold, poverty decreased to 48.4 per cent in 2010. This builds on the strong progress made between 1998 and 2003, when this measure of poverty declined by about 25 percentage points. The incidence of poverty, in terms of those living on less than $1.25 per day, was much higher in rural areas (73.9 per cent) than in urban areas (32.7 per cent). However, an unprecedented spike in urban poverty because of rapid urbanization has aggravated urban unemployment.

14. The average per capita expenditure (consumption) of the fifth quintile, the richest domiciled in the greater Banjul area (the Banjul City Council) and the Kanifing Municipal Council) and the West Coast Region, is seven times higher than that of the first quintile, the poorest in the Central River Region. Thus, the marked decline seen in the number of those living under the poverty line was accompanied by a widening gulf between the richest and poorest, consistent with global trends.

15. Employment increased from 33 per cent in 1993 to 46 per cent in 2010. The vulnerable employed, the proportion of own-account and contributing family workers in total employment, rose marginally to 79 per cent in 2010 from 77 percent in 2003. The proportion was higher in rural areas.

16. Between 1996 and 2013, the prevalence of underweight children younger than 5 years of age fluctuated between a high of 21 per cent and 16.2 per cent. It was twice as high in rural areas as in urban areas. Likewise, malnutrition, a proxy for the proportion of the population living below the minimum level of dietary energy consumption, was higher among rural dwellers than among urban dwellers. Nationwide, stunting and wasting shot up to 25 per cent and 11.5 per cent, respectively. The former adversely affects the desired outcomes on child health and education.

[b] The table contained in the appendix presents performance statistics on the Millennium Development Goals.

17. The World Food Programme estimated that in 2013, approximately 370,454 people, or 19.5 per cent of the country's inhabitants, were vulnerable and in need of humanitarian assistance owing to recurrent natural hazards, high food prices, etc. Food insecurity has increased to 18 per cent nationwide because of the lagging effects of the 2011 crop failure, higher prices and poor-quality nutrition, including monotonous diets.

2. Key challenges

18. A key challenge for the country is to achieve inclusive growth to reduce the rural-urban gap, which mirrors the gulf between poorest and richest. Vulnerabilities at the local level associated with dependence on rain-fed agriculture show that climate change can cause significant setbacks in the fight against poverty. On the external front, higher import prices for oil and food destabilize private incomes and domestic financial balances and dampen economic growth.

19. Raising incomes in the agricultural sector remains a challenge. The growth potential for value addition with respect to primary products and marketing outlets for agricultural products, especially groundnuts, has not been realized.

20. Building capacity to generate timely and reliable statistics for measuring and monitoring poverty in all its dimensions remains a pervasive challenge that cannot be overemphasized.

21. The close correlation between income poverty and food poverty in rural areas is manifested in poor households' inability to afford minimum dietary requirements, which has serious nutritional and health implications, including poor feeding and substandard hygiene and sanitary conditions for under-five children.

22. It is noteworthy that during the past couple of decades there has been a surge in diseases such as diabetes and high blood pressure, which are greatly influenced by the eating habits, attitudes and behaviour of sufferers. If unchecked, the medical costs involved can push many families below the poverty line.

3. Policy interventions

23. The Programme for Sustainable Development of the 1990s placed sustainable development at centre stage in the national development agenda and has been sustained in "Vision 2020", poverty reduction strategy papers 1 and 2 and the Programme for Accelerated Growth and Employment. Women and youth employment, the poorest regions, agricultural workers and sustainable livelihoods are targeted in and central to the Programme for Accelerated Growth and Employment. It projects a double-digit annual growth rate over four years, with an emphasis on employment creation, while targeting infrastructure and agriculture, from which the bulk of the poor eke out a living.

24. Other policy initiatives to reduce poverty include the Poverty Reduction and Growth Facility programme implemented between 2007 and 2011 and supported by the Bretton Woods institutions, including the HIPC completion point reached in November 2007. The Government embarked on trade and employment programmes assisted by the United Nations Conference on Trade and Development and the International Labour Organization, under the Aid for Trade initiative, the National Agricultural Investment Programme and pro-poor fiscal budgeting. With World Bank support, the Government adopted the national strategy for food security and

the National Nutrition Programme. Following the United Nations Conference on Sustainable Development, Gambia Environmental Action Plans 1 and 2 have been central to the country's bid to achieve sustainable development.

25. In 2000, the Government announced the nutrition policy, enacted the Food Act and established the National Nutrition Agency, overseen by the National Nutrition Council and chaired by the Vice-President. The Council implements community initiatives targeting children to protect them and promote salt iodization, vitamin A supplementation and the integrated anaemia pilot programme. The Nutrition Surveillance Programme was established to monitor malnutrition (wasting) among under-five children living in primary health-care villages. The Maternal and Child Nutrition and Health Results Project, funded by the World Bank, is being implemented in the country's three poorest regions to improve maternal and child health. In 2013, the Food Safety and Quality Authority started operations to improve the nutritional status of the population.

26. The country periodically conducts integrated household surveys to measure poverty and multiple-indicator cluster surveys to assess the state of women and children. Other surveys and reports include a biannual Millennium Development Goal performance report, the Voluntary Service Overseas (VSO) disability and health care report 2012, and the migration and urbanization survey 2009. In addition, the country cooperates with the World Bank in relation to the *Doing Business* report.

4. Lessons learned

27. The experiences gained in the fight against poverty have shown the desirability of higher inclusive growth with commensurable employment and shared prosperity extended to deprived regions and agricultural workers as well as youth and women. Raising non-skilled wage rates is also pivotal.

28. The agricultural sector demonstrated resilience to external vulnerabilities as robust economic growth (6 per cent) was recorded in the midst of the global financial and economic crises in 2008/09. However, rain-fed agriculture is also vulnerable to the vagaries of the weather. A country with a river running its length and dividing it into two halves ought not to be totally dependent on rainfall. The answer is irrigation. The Government invites the international community to join Gambians in turning the shores of the Gambian River into a food basket. In addition, it is recognized that depressed incomes in the agricultural sector point to the urgency of value addition to primary products and agrobusinesses to increase farm returns.

29. Bearing in mind the question of their affordability, the issue of social mechanisms such as social safety nets for the poorest of the poor must be considered in order to narrow the disparity between the richest and poorest and eliminate extreme hunger.

B. Education

1. Performance[b]

30. The Gambia has registered remarkable success in achieving the Millennium Development Goal of universal primary education. The proportion of children starting school at grade 1 and reaching grade 5 declined slightly, from 97 per cent to

95.3 per cent, between 2005 and 2011. The net attendance ratio, a proxy for the net enrolment ratio, showed steady improvement from 44 per cent in 1990 to a peak of 74.5 per cent in 2012 before declining marginally to 73.4 per cent in 2013. Authorities are projecting that 100 per cent is achievable for both the retention and attendance ratios by 2015, particularly when madrasas are included. The literacy rates for women and men aged 15-49 stood at 45.0 per cent and 58.3 per cent, respectively, reflecting slight declines from the levels recorded in 2011.

2. Key challenges

31. Income poverty inhibits families from attending school when confronted with meeting basic non-fee costs such as uniforms, transportation fares and school materials. Other downside factors are cultural, such as teenage marriage by girls, performing household chores and support for farming and moneymaking activities. These factors affect girls more than boys, having an impact on retention at the secondary school level.

32. Achieving 100 per cent enrolment of boys and girls at age 7 in mainstream schools[c] remains a daunting task, as Islam-only schools (Daras or Karantas) continue to provide alternatives. Also, children born at home form the bulk of late birth registrations, which also negatively influences enrolment at age 7.

3. Policy interventions

33. The Government subscribes to Education for All and the Global Partnership for Education, which are at the forefront in achieving universal primary education. The Gambia has focused policy results that drive implementation in critical areas. With respect to access, the policy seeks to ensure that no child anywhere in the country has to walk more than two kilometres to get to school. The Government subsidizes the cost of education for girls. The national debate on the merits of educating girls is always reflected in the headlines of national media and the speeches of senior government officials to combat the cultural biases that keep girls out of school.

4. Lessons learned

34. Poverty and traditional practices are the most dogged factors impeding the enrolment and retention of girls in school. Focused interventions such as easier access, cost subsidies and feeding programmes have successfully alleviated the negative effects of poverty on scholastic performance. Advocacy that influences attitudes remains the preferred tool to counter the deleterious effects of traditional practices on girls' education. Having a female Vice-President of the Gambia has had positive demonstrative effects on girls in terms of staying in school.

C. Promote gender equality and empower women

1. Performance[b]

35. Steady progress has been registered over the years in achieving parity between girls and boys in primary, secondary and tertiary schools. The ratio of girls to boys

[c] State and private schools with no religious affiliation and Muslim and Christian schools that embrace the State-sponsored curriculum.

in primary school in 1990 was 0.74; by 2005 it had surpassed the 2015 one-to-one target. This level of performance was maintained at 1.05 in 2010. Similar positive performance was recorded at the secondary school level.

36. The multiple-indicator cluster survey (MICS) showed that the primary school ratio stood at 1.05 in 2010, while the demographic and household survey (DHS) indicated a marginal decline to 1.01 in 2013. Likewise, the secondary school ratio decreased marginally from 1.00 in 2010 (MICS 2010) to 0.96 in 2013 (DHS 2013).[d] Even with the lower DHS data, the gender disparity in primary and secondary education will be eliminated.

37. Parity between men and women progressed at the tertiary level from a ratio of 0.71 to 0.84 between 1990 and 2012, albeit a reversal from the 0.86 reached in 2010. However, given the higher dropout rate for girls than for boys at every school level preceding the tertiary, parity in 2015 at the tertiary level may be just out of reach.

38. Female representation in parliament is making slow progress, from a low base of 6.5 per cent in 2006 to 7.5 per cent in 2011 and 9.4 per cent in 2013. Given the latest ratio and the parliamentary elections scheduled for 2017, the target of 33 per cent in 2015 will not be achieved.

2. Key challenges

39. Higher retention of females at the secondary and tertiary levels of education is a prerequisite for improvement in the gender employment ratio. It is also imperative for further gains in terms of occupying senior positions in the public and private sectors. Poverty and cultural practices, including early marriage, impede the progression of girls and women to gainful employment in the non-agricultural sector.

3. Policy interventions

40. The Government ratified the Convention on the Elimination of All Forms of Discrimination against Women in 1979 and the Convention on the Rights of the Child in 1986. The Children's Act 2005 and the Women's Act 2010 incorporated these international best practices on the rights and the protection of women and children. The Gender and Women Empowerment Policy 2010-2020 ensures that these imperatives are major drivers in the country's socioeconomic transformation and development. The Women's Bureau, established decades earlier, paved the way for the strides that women are making in every sphere of development.

4. Lessons learned

41. The long-held marriage traditions that favour girls in their teens include some the hardest nuts to crack. Coupled with affordability, they constitute downside factors with respect to further improvements in terms of the retention rate of females at the higher educational levels and a larger share of the job market. While legislation on the rights of women deters their psychological and physical abuse and protects and empowers them, the habits and attitudes that subjugate them die hard,

[d] Source: Millennium Development Goals status report 2014.

and therefore advocacy is an indispensable tool to positively influence public perceptions with regard to gender equality and women's empowerment.

42. The paucity of statistics on gender blunts sharper policy tools and the monitoring and evaluation of the progress made in gender equality and women's empowerment. The Gambia Bureau of Statistics and the Women's Bureau are resolved to urgently address the data gaps.

D. Reduce child mortality

1. Performance[b]

43. The main causes of under-five mortality are malaria, diarrhoea and respiratory tract infections. Mortality rates are higher in rural areas than in urban areas, while Banjul and Kanifing record the lowest levels. Under-five and infant mortality rates improved over the past decade. Under-five mortality, at 141 deaths per 1,000 live births in 2000, decreased to 54 in 2013. Similarly, infant mortality declined from 98 deaths per 1,000 live births in 2000 to 34 in 2013. Thus, both the 2015 Millennium Development Goal target on under-five mortality of 67.5 deaths per 1,000 live births and the infant mortality target of 42 have already been achieved.

44. The combined effects of improved access to health services, particularly antenatal and postnatal services and immunization, access to a clean water supply and improved nutrition have resulted in significant reductions in childhood mortality over the past two or more decades. The measles immunization programme resulted in coverage of 92.4 per cent in 2005 and 95 per cent in 2013. This trend supports a projection that the Millennium Development Goal target of 100 per cent is within reach.

2. Key challenges

45. Access to quality health services is more readily available in urban areas than in rural areas. The nexus between poverty and poor health has been confirmed. However, budgetary constraints have precluded the availability of adequate supplies of essential drugs and equipment in public health facilities, while lower standards in living conditions have somewhat discouraged trained staff from working and staying in rural areas.

46. Urgent interventions are required in order to enhance storage and transportation facilities for drugs and vaccines. This is particularly relevant for the measles campaign to enable the country to reach 100 per cent coverage by 2015.

3. Policy interventions

47. The national health policy for the period 2012-2015 aims to reduce maternal and childhood morbidity and mortality through improvements in access to reproductive and child health services, clean portable water and effective nutrition. Specific actions include free maternal and child health services; improvements in the doctor-to-population ratio; better delivery of vaccines; and increased access to insecticide-treated nets to reduce morbidity from malaria. The policy sets a more demanding national infant mortality target of 28 per 1,000 by 2015, which is also within reach.

4. Lessons learned

48. The bulk of child mortality is associated with substandard neonatal conditions, malaria, diarrhoea, acute respiratory infections and epidemics such as measles or meningitis. To consolidate progress, the Government must achieve universal access to quality health care, including skilled birth attendants; combat malnutrition; and further improve immunization coverage.

E. Improve maternal health

1. Performance[b]

49. The Gambia is making long-sought-after inroads in reducing the high maternal mortality rate, one of the highest in West Africa. The maternal mortality rate was estimated at 360 per 100,000 live births in 2010, down from 730 per 100,000 live births in 2003. It is, however, estimated that the rate edged up again to 433 deaths per 100,000 live births in 2013. Notwithstanding this progress, the Millennium Development Goal target of 263 maternal deaths per 100,000 live births by 2015 will probably not be attained.

50. Steady gains were recorded in terms of the proportion of births attended by skilled health personnel, from 42 per cent of births in 1990 to 64 per cent in 2013. Consequently, the 63 per cent Millennium Development Goal target has already been achieved. However, it is quite apparent that capacity-building to ensure a critical mass of midwives and related skills is an imperative for further improvements, within the overall need to improve access to health services.

51. Family planning and contraceptives make it possible to space births by between three and five years, which increases the survival rate of children and their mothers. The Gambia's population growth rate has fluctuated widely, between 4.2 per cent in 1993 and 2.7 per cent in 2003 and then 3.3 per cent in 2013. Immigration made significant contributions to the high points, as the fertility rate declined to 5.6 per cent from 6.4 per cent during the same period. For traditional and religious reasons, using contraceptives is not popular, especially among the rural population. A 2001 survey showed a contraceptive prevalence rate ranging between 6.7 per cent and 13.4 per cent and declining to about 9 per cent in 2013, making the 2015 Millennium Development Goal target of 30 per cent out of reach.

52. The Gambia did better than the minimum, recommended by the United Nations Children's Fund (UNICEF) and the World Health Organization, of at least four antenatal care visits during a pregnancy. Women aged 15-49 years who had given birth in the two years preceding the survey and had made at least four antenatal care visits rose to 77.6 per cent in 2013 from 72 per cent in 2010. However, the Millennium Development Goal target of 100 per cent by 2015 is unlikely to be met.

2. Key challenges

53. Areas in need of urgent improvement include: inadequate emergency obstetric care services, due mainly to inadequate basic reproductive health equipment, supplies and qualified personnel; inadequate coverage of blood transfusion services and laboratory services for diagnostic testing; a shortage of skilled health professionals in rural areas; a weak health-care referral system; low contraceptive

use, due mainly to sociocultural beliefs and practices; inadequate lifesaving essential medicines and medical supplies; poor nutrition among pregnant and lactating mothers; and late registration of pregnant women in antenatal clinics.

3. Policy interventions

54. The national health policy for the period 2012-2020 ushered in a national reproductive health community security strategy for the period 2014-2018 with the following vision: "A Gambia in which every pregnancy is wanted, every child birth safe, and every young person's potential fulfilled". A national goal is set to achieve universal access to reproductive health, promote reproductive rights and reduce maternal mortality by 50 per cent of 2013 levels by 2018.

55. The national health policy promotes cost-free maternal and child health services and seeks to strengthen round-the-clock emergency obstetric care and emergency neonatal care, postnatal reviews and audits. Other strategies include a minimum reproductive and child health package, increasing awareness of sexual, reproductive and child health issues and creating opportunities for the improvement of the nutritional status of vulnerable groups.

4. Lessons learned

56. Family planning to reduce unwanted pregnancies, the presence of skilled birth attendants at deliveries, and access to emergency obstetric and neonatal care will yield maximum benefits if they are extended in rural and remote communities. Advocacy through public debates on radio and television to popularize family planning must be enhanced to combat prevailing objections.

57. The limited availability of emergency obstetric and neonatal care impedes improvements in the maternal mortality rate. Indeed, further success is limited by an inadequate number of skilled attendants and inadequate infrastructure, supplies and management. There is an urgent need for human and institutional capacity-building in the health sector. The Government has fiscal rules for the earmarking of outlays to the health and education sectors; however, given the magnitude of current needs, further intervention by donors and non-governmental organizations is welcomed.

F. Combat HIV/AIDS, malaria and other diseases

1. Performance[b]

58. Since the first case of HIV was diagnosed in the Gambia in May 1986, prevalence levels have been relatively stable, with higher rates observed for HIV-1 than for HIV-2. The results of the 2013 demographic and health survey showed a national HIV prevalence rate of 1.9 per cent. Across regions, prevalence ranged between 1.1 per cent in Banjul and 2.9 per cent in the Lower River Region. While the Central River Region and the West Coast Region prevalence rates also exceeded 2 per cent, the rest of the regions were below that level. It is estimated that 28,268 people in the country are living with the HIV virus, with the highest proportion (nearly half) of that number living in the West Coast Region and the smallest in Banjul. There has been an uptick in HIV prevalence over the years, with ominous consequences for health service delivery.

59. Malaria remains the leading cause of death in the Gambia, particularly among children under 5 years of age. In response, insecticide-treated nets, intermittent preventive treatment of pregnant women and new guidelines have registered successes against the disease. However, prevalence remains high nationwide; between 2011 and 2013, the number of malaria cases rose from 10,000 to about 85,000, with peaks during the period from September to November and troughs in the period from March to May.

60. Tuberculosis disproportionately affects the most productive (15-59) age group, males and urban inhabitants. About 80 per cent of the tuberculosis cases notified in 2011 were from the greater Banjul area. Tuberculosis prevalence, as determined from a sample of 43,100 smears, was 85/100,000. The smear-positive results were higher for males, at 145/100,000, than for females, at 43/100,000. In rural areas, smear-positive results were 79/100,000, compared with 92/100,000 in urban areas. The Gambia attained the 70 per cent target for notification of new cases detected. Since 2009, the treatment success rate has exceeded 85 per cent.

2. Key challenges

61. Timely data on supplies and consumption patterns with respect to HIV/AIDS are required for the country to remain supplied with drugs. Computerization is required to monitor the stock levels of drugs. Early infant diagnosis provides a critical opportunity to strengthen follow-up of HIV-exposed children, ensure early access to antiretroviral treatment and provide information to reassure the families of uninfected children. The health services can now test for HIV in children aged 6 months and older. Stigmatization complicates treatment for the disease, and therefore advocacy is required to change attitudes and behaviour. Wider dissemination of knowledge about the pandemic is also an indispensable tool in controlling its spread.

62. Whereas the new malaria treatment guidelines require confirmation of the presence of malaria parasites in blood samples, laboratories are not available in some rural areas. Mobile units have been introduced as stopgap measures. The use of insecticide-treated nets in the prevention of malaria, particularly in urban households, consistently falls below coverage targets.

3. Policy interventions

63. The National HIV/AIDS Strategic Framework for the period 2009-2014 was developed in partnership with international donors, local non-governmental organizations and the United Nations system. It was mainstreamed into the Programme for Accelerated Growth and Employment to build capacity for HIV research, monitoring and evaluation and surveillance, the conduct of an HIV survey of population aged 15-49 years and the conduct of a gender analysis of the vulnerability of children, adolescents and adults to HIV and AIDS. Various interventions have led to greater awareness of HIV/AIDS/sexually transmitted diseases, research on the pandemic, the promotion of condom use, and safer blood transfusions and storage, as well as enhanced targeting of vulnerable groups.

64. Malaria places pressures on personal incomes and the national health system and results in lost productivity in the workplace. The national health policy for the period 2012-2020 promotes a community-based approach to fighting malaria, emphasizing prevention and control. The National HIV/AIDS Strategic Framework

aims to provide a framework for the reduction of the malaria burden by 50 per cent by 2015. It consolidates integrated disease surveillance, integrated management of newborn and childhood illnesses, reproductive and child health and the health management and information system. The main approaches include case management, malaria in pregnancy, vector control and personal protection, management and partnership, information, education and communication, advocacy, surveillance and research. In addition, government tax and tariff waivers are in place for the importation of bed nets.

65. Established in 1984, the National Leprosy and Tuberculosis Programme adopted a directly observed treatment short course in 1985 and enhanced it in 1993, while coverage steadily increased to 100 per cent. The national health policy proposed additional activities on advocacy, communication, social mobilization and intersectoral coordination to benefit from synergies between tuberculosis and HIV therapies. These measures would reduce co-infection and improve treatment of tuberculosis.

4. Lessons learned

66. Despite the major gains made in the detection and treatment of new cases of tuberculosis, it is worrisome that undetected cases still exist. The disease continues to be based predominantly in urban areas, where most of the population resides.

67. While the prevention of new HIV infections will remain the priority, caring and support services, including the establishment of antiretroviral therapy centres, need to be scaled up. The full package of services needs to be expanded and sustained among appropriate target groups. Blood transfusion services should ensure proper screening and adherence to appropriate guidelines in the administration of blood and blood products.

68. In addition, funding and donor support for tuberculosis and malaria control should be more diversified. New drugs are required to fight the malarial parasites, which have developed resistance to certain traditional treatments. The distribution of insecticide-treated nets should be expanded. Early detection and effective treatment of malaria through comprehensive primary health-care approaches with community participation should be expanded.

G. Ensure environmental sustainability

1. Performance[b]

69. The national forestry assessment for the period 2008-2010 concluded that the Gambia's forests are "visibly degraded" and adversely affecting the livelihoods of the rural population. Climate change, including drought, is fostering the encroachment of typically "Sahel" conditions in more parts of the country. Particularly in urban areas, charcoal remains the energy of choice for cooking, which is causing the widespread destruction of forests. The high population density of about 176 persons per square kilometre is fuelling these pressures. It is estimated that the land area covered by forest stood at 48 per cent in 2010, and achieving the Millennium Development Goal target of 50 per cent by 2015, while a modest goal, will be an uphill battle.

70. The greenhouse gas inventory (2007) estimated carbon dioxide (CO_2) emission levels at 216,018 tons in 2001. Per capita emissions rose to 4.42 in 2005[c] and remained unchanged in 2007, compared with 0.2 in 2001. Total emissions by vehicles accounted for 60 per cent of the total. However, this sharp rise was contradicted by national figures that put the 2010 level at 0.187 in 2010. The disposal of solid waste is a daunting problem in the greater Banjul area, and burning, which is common, adds to CO_2 emissions.

71. Access to safe drinking water is a success story, increasing to 91 per cent of households nationwide in 2013 from 69 per cent in 1990, well over the Millennium Development Goal target of 85 per cent by 2015. However, it also reflects the rural-urban divide, with 94.8 per cent for the former and 78 per cent for the latter in 2010, compared with 95.3 per cent and 84.7 per cent in 2013.

72. The proportion of fish stock within safe biological limits decreased to 75 per cent in 2010 from 88.8 per cent in 1990. The lack of safe biological limits, due largely to overfishing using inappropriate nets and to climate change is a cause for concern. The fisheries sector consists of an artisanal subsector and an industrial subsector. While the former provides jobs, particularly for women and youth, the latter does not compare favourably. However, additional jobs are derived from the industrial subsector if the processing of catches is carried out locally.

2. Key challenges

73. Although sustainable development is central to the policy of the Government of the Gambia, forest conservation remains a formidable challenge against household needs and crop production, while rapid urbanization, overcultivation and overgrazing remain problems. Yet, recovery schemes such as the enrichment of degraded land and alternative sources of affordable energy for households have not succeeded. For efficient and effective planning of the country's land space to meet competing uses, reliable mapping involving aerial surveys is required.

74. Rapid urbanization is making it difficult for the water supply infrastructure to keep pace and, coupled with the budgetary constraints that are slowing down expansion in rural areas, could mean that the attainment of 100 per cent access to clean water throughout the country, while within reach, will happen post-2015.

75. To conduct surveys on the proportion of fish stock within safe biological limits, the Government relies on the Food and Agriculture Organization of the United Nations. Owing to a lack of quality statistics on this indicator, it is difficult to measure progress. Anecdotal evidence suggests the excessive exploitation of marine fish species. Robust responses to address this problem require modern scientific methods of enquiry.

3. Policy interventions

76. The Government of the Gambia has ratified the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Convention on Wetlands of International Importance especially as Waterfowl

[c] Source: United Nations Environment Programme report (2004).

Habitat. These form inputs into the country's agriculture and natural resources policy and Forest Act. Felling trees to produce charcoal was banned as early as the 1980s. "Vision 2020" proclaims "a balanced eco-system and a decent living standard for all by conserving the environment and promoting the rational use of the nation's natural resources". The main objectives of the Gambia Environmental Action Plan 2 are to promote environmental sustainability and conservation and to combat the effects of climate change due to the emission of greenhouse gases, inter alia, to enable sustainable livelihoods.

77. Access to portable and quality water is supported by donors such as the Japan International Cooperation Agency, the UNICEF country programme, the Saudi Sahelian Project, the UNDP Cap 2015 project, the Christian Children's Fund, the Community-Driven Development Project and the European Development Fund and has registered significant contributions to increased access to clean water, particularly in rural areas.

4. Lessons learned

78. The health and other requirements of fish-importing countries in the North require closer dialogue and technical assistance to allow the exporters in the South to meet them. In de facto terms, these requirements constitute veritable barriers to trade, and North-South cooperation is required to facilitate access.

79. The Government of the Gambia has enacted myriad legislation, regulations and action plans for environmental conservation and protection. The tasks of the conservation and management of natural resources, water, forestry and fish resources require specialized competencies that the Government must develop to give its policies better chances of success.

H. Developing a global partnership for development

1. Performance[b]

80. The list of development partners that the Government of the Gambia has nurtured over the years is typical of many South Saharan African countries and spans the entire globe. The current partners are the United Nations family, the Bretton Woods institutions, the European Union, African regional and subregional institutions, the Economic Community of West African States, developed economies in the North, larger economies in Asia and Latin America, the Gulf Cooperation Council, emerging markets in Eastern Europe and other African countries. What unites all these diverse players is that all are stakeholders in the Gambia's development.

81. The Government has implemented two poverty reduction strategy papers, with predominantly external financial assistance serving as frameworks for donor support. The partners were as varied as the list set out in the preceding paragraph. The cost of poverty reduction strategy paper 2, for the period 2007-2011, amounted to $752 million, of which $100 million, or 13.3 per cent, came from domestic sources and 86 per cent from donors in the form of grants and loans as well as debt relief. In 2007, The Government reached the completion point under the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative and received significant debt relief, including from the Paris Club. The

Gambia's classification with respect to risk of debt distress was downgraded to "moderate" from "high".

82. However, this desirable debt profile is currently showing a larger domestic debt, which accounted for 34 per cent of GDP in 2012, against 77 per cent of GDP in total public debt. Given the prevailing high interest rates on mostly treasury bills, about 22.5 per cent of government revenues in 2012 were used to service this debt.

83. The Programme for Accelerated Growth and Employment for the period 2012-2015 includes 130 programmes and projects at a total cost of $943 million. Of this amount, $292 million provides for ongoing activities, with the remaining $651 million, an annual average of $162.8 million, representing the financing gap to be filled over four years and expected from partners. The Government will provide $227.7 million, or 35 per cent, of the required investments. Furthermore, the Government is implementing an extended credit facility with the International Monetary Fund to consolidate stable macroeconomic conditions and facilitate growth and the implementation of the Programme for Accelerated Growth and Employment.

2. Key chalienges

84. The successful implementation of the Programme for Accelerated Growth and Employment will depend on Gambians, the requisite technical competences and the filling of the financing gap. The contributions of development partners to provide technical assistance and funding are indispensable to further reduce extreme poverty in the Gambia. Thus, the successful achievement of the Millennium Development Goals and poverty reduction is inextricably linked to obtaining results from the Programme for Accelerated Growth and Employment.

85. It is widely acknowledged that a major downside risk faced by resource-constrained developing countries in meeting the Millennium Development Goal targets is the inadequacy of the aid provided to enable them to undertake the needed projects and programmes. It remains a challenge for developed countries to keep to the promise of the United Nations target of allocating 0.7 per cent of their gross national income in overseas aid to support development in least developed countries. Further efforts are needed to this end, as only a few countries have performed well.

3. Policy interventions

86. The Programme for Accelerated Growth and Employment represents the policy framework for the Gambia's fight against extreme poverty and hunger to promote inclusive growth and sustainable development and usher in decent and equitable living standards for its citizens. At the same time, the Government is designing the Gambia aid policy and has confirmed the debt management policy.

87. The Gambia aid policy is inspired by the international best practices enunciated in the Monterrey Consensus of the International Conference on Financing for Development (2002), the Rome (2003) and Paris (2005) Declarations on Aid Effectiveness and the Accra Agenda for Action (2008) and is in the spirit of the Busan outcome document (2011). The Gambia aid policy brings together institutional, regulatory, operational and accountability tools for sourcing and

managing external aid resources, especially grants and loans, that qualify as official development assistance.

4. Lessons learned

88. Over the past decade, there has been a discernible shift from loans to grants on the part of donors. The country has also funded the current account deficit from non-debt flows to attract foreign direct investment. However, these efforts must be supplemented by loans and grants in order to fund the Programme for Accelerated Growth and Employment and achieve more Millennium Development Goal targets by 2015.

III. Conclusion

89. Overall, the Gambia ranks among the success stories in the implementation of the Millennium Development Goals. The country has registered more achievements than shortcomings. The following stand out in the present report:

- The Gambia is set to meet all the Millennium Development Goals, a few of them beyond the timeline of 2015. However, eradicating extreme poverty and hunger requires more efforts. Going forward, the Gambia needs to fully implement the Programme for Accelerated Growth and Employment in order to make further gains in poverty reduction and maintain momentum to meet more of the Millennium Development Goals and keep the population out of poverty well beyond 2015;
- Going forward, sustained global partnerships are required to maintain the spirit of the Millennium Development Goals to make this world a better place in which to live for all its inhabitants, while we resolve to leave our natural environment no worse off than we found it. Yes, we can!

Appendix

The Gambia's performance on the Millennium Development Goals

Goal 1: Eradicate extreme poverty and hunger	*2003*	*2010*	*2014*	*Target*	*Status*
Target 1A:	58.0% less than $1 per day (IHS, 2003)	39.6% less than $1 per day (IHS, 2010)		15%	Slight improvement
• Halve between 1990 and 2015 the proportion of people whose income is less than $1 per day		48.4% less than $1.25 per day (IHS, 2010)			
• 1.2 Poverty gap ratio	25.1% (IHS, 2003)			N/A	No update
• 1.3 Share of poorest quintile in national consumption	8.8 (IHS, 2003)	5.60 (IHS, 2010)		8%	Declined
• Employment-to-population ratio	0.33 (census, 2003)	0.46 (IHS, 2010)		N/A	Very large deficit in decent work
Target 1B:					
• Achieve full and productive employment and decent work for all, including women and young people					
• 1.4 Growth rate of GDP per person employed	N/A	N/A		N/A	
• Employment-to-population ratio	0.33 (census, 2003)	0.46 (IHS, 2010		N/A	Slight improvement
• 1.6 Proportion of employed people living on less than $1 per day	N/A	40.0% (IHS, 2010)		N/A	
• 1.7 Proportion of own-account and contributing family workers in total employment	0.79 (census, 2003)	79.0% (IHS, 2010)		N/A	No improvement

Goal 1: Eradicate extreme poverty and hunger	*2003*	*2010*	*2014*	*Target*	*Status*
Target 1C:					
• Halve, between 1990 and 2015, the proportion of people who suffer from hunger					
• 1.8 Prevalence of underweight children under 5 years of age	20.3% (MICS, 2005)	17.4% (MICS, 2010)	16.2% (DHS, 2013)	10.4%	Slight improvement
• 1.9 Proportion of population below minimum level of dietary energy consumption	N/A	N/A		N/A	

Goal 2: Achieve universal primary education	*2005*	*2010*	*2014*	*Target*	*Status*
Target 2A:					
• Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling					
• 2.1 Net enrolment ratio in primary education	77.0% (2008)	72.0% (2011)	60.1%	100%	
• 2.2 Proportion of pupils starting grade 1 who reach last grade of primary	96.6% (MICS, 2005)	95.3% (MICS, 2010)		100%	Slight deterioration
• 2.3 Literacy rate of 15-24-year-olds, women and men (literacy rate is measured for people aged 15-49 in the DHS)	62.9% (census, 2003) (Females, males)	N/A	45.0% (Females) 58.3% (Males)	72.0%	Progress cannot be measured because of lack of data

Goal 3: Promote gender equality and empowerment of women	*2005*	*2010*	*2014*	*Target*	*Status*
Target 3A:					
• Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015					Close to parity
• 3.1 Ratios of girls to boys in primary, secondary and tertiary education	Primary 1.03 (MICS, 2005)	Primary 1.05 (MICS, 2010)	Primary 1.01 (DHS, 2013)	1.0	High share
				N/A	
	Secondary 0.83 (MICS, 2005)	Secondary 1.00 (MICS, 2010)	Secondary 0.96 (DHS, 2013)	N/A	
• 3.2 Share of women in wage employment in the non-agricultural sector	N/A	77% (IHS, 2010)		N/A	Moderate share
• 3.3 Proportion of seats held by women in national parliament	Parliament 1.06%	Parliament 7.5% (2012)	Parliament 9.4% (2014)	33%	Low representation
	Local councils 13.91%	Local councils 13.91%		33%	

Goal 4: Reduce child mortality	*2005*	*2010*	*2014*	*Target*	*Status*
• 4.1 Under-five mortality rate	131 per 1,000 (MICS, 2005)	109 per 1,000 (MICS, 2010)	54 per 1,000 (DHS, 2013)	67.5 per 1,000	Target achieved; significant improvement
• 4.2 Infant mortality rate	93 per 1,000 (MICS, 2005)	81 per 1,000 (MICS, 2010)	34 per 1,000 (DHS, 2013)	42 per 1,000	Target exceeded
• 4.3 Proportion of 1-year-old children immunized against measles	92.4% (MICS, 2005)	87.6% (MICS, 2010)	88% (DHS, 2013)	N/A (100%)	Remained the same

Goal 5: Improve maternal health	*2001*	*2010*	*2014*	*Target*	*Status*
• 5.1 Maternal mortality ratio	730 per 100,000 (maternal mortality survey, 2001)	2008 690 per 100,000 (countdown to 2015 report) 360 per 100,000 (WHO, World Bank, UNFPA, UNICEF assessment, 2010)	433 per 100,000 (DHS, 2013)	263 per 100,000	High mortality but significant improvement
• 5.2 Proportion of births attended by skilled health personnel	56.8% (MICS, 2005)	56.6% (MICS, 2010)	64.0% (DHS, 2013)	63%	Target exceeded
Target 5B:					
• Achieve by 2015 universal access to reproductive health					Low access
• 5.3 Contraceptive prevalence rate	13.4% (maternal mortality survey, 2001)	13.3% (MICS, 2010)	7.1% (DHS, 2013)	30%	Declined
• 5.4 Adolescent birth rate	103 (2003)	N/A		N/A	
• 5.5 Antenatal care coverage (at least one visit and at least four visits)	97.8% (MICS, 2005)	98.1% (MICS, 2010)		100%	Improved access
• 5.6 Unmet need for family planning	N/A	21.5%		N/A	

Goal 6: Combat HIV/AIDS, malaria and other diseases	*2005*	*2010*	*2014*	*Target*	*Status*
• 6.1 HIV prevalence among population aged 15-24 years	1.42% HIV-1 1.7% (NSS, 2005) 0.5% HIV-2	1.4% (NSS, 2011)	HIV-1 1.15% (NSS, 2012)	0.3% 0.9%	Remained the same
• 6.2 Condom use during last high-risk sex	54.3%-57.9% (BSS, 2005)	33.5% 49.0% (Males) 27.3% (Females) (BSS, 2010)	77.8% (Males) 20% (Females) (BSS, 2012) Note: This relates only to commercial sex workers	N/A 70% (Males) 55% (Females) National Strategic Framework	Declined
• 6.3 Proportion of population aged 15-24 years with comprehensive, correct knowledge of HIV/AIDS	39.2%-34% (Males) 25% (Females) (BSS, 2005)	32.8%-31.7% (Males) 22.9% (Females) (BSS, 2010)	18.20% (Males) 21.80% (Females) (BSS, 2012)	N/A 85% (Males) 80% (Females) (NSF)	Declined
• 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years	0.87 65.1% (2005/6) (Universal access, 2006)	1.06 71.4% (MICS, 2010)		N/A 80% (NSF)	Improved
Target 6B:					
• Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it					
• 6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs	8.8% (2007) (GF R8 proposal)	82.0% (ART survival study, 2011)	86% (ART survival study, 2013)	50% (NSF)	High access

Goal 6. Combat HIV/AIDS, malaria and other diseases	*2005*	*2010*	*2014*	*Target*	*Status*
Target 6C:					
• Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases					Declined
• Incidence and death rates associated with malaria	N/A	N/A		N/A	
• 6.7 Proportion of children under 5 sleeping under insecticide-treated bed nets	49.5% (MICS, 2005)	33.3% (MICS, 2010)	47.0% (DHS, 2013)	N/A	Declined
• 6.8 Proportion of children under 5 with fever who are treated with appropriate antimalarial drugs	52.4% (MICS, 2005)	66.2% (MICS, 2010)	6.7% (DHS, 2013)	80%	Declined sharply
• 6.9 Incidence, prevalence and death rates associated with tuberculosis	N/A	N/A	175 per 100,000 128 per 100,000 (Gambia TB prevalence study, 2013) 4 per 100,000 (PUDR, 2012)	N/A	
• 6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course	N/A	N/A	64% 88%	70% (WHO target) 85% (WHO target)	

Goal 7: Environmental sustainability	*2003*	*2010*	*2014*	*Target*	*Status*
• Proportion of land area covered by forest	41.5%	46%		40%	High coverage
• CO_2 emissions, total, per capita	0.196	0.187		0.18	
• Proportion of fish stock within safe biological limits	74.1% (2007)	75%		N/A	Moderate
• Proportion of terrestrial and marine areas protected	4.09%	4.1%		10%	Low coverage
• Proportion of species threatened with extinction	4% (1996) 7% (2000)	25%		3% (2015)	High
• Proportion of population using an improved drinking water source	85.1% (2005)	85.8%	90.1% (DHS, 2013)	85%	High coverage
• Proportion of population using an improved sanitation facility	84.2% (2005)	76.3%	39.8% (DHS, 2013)	92%	Declining
• Proportion of urban population living in slums	59.2% (2007)	45.8%		N/A	Decreasing slightly

Goal 8: Develop a global partnership for development	*2007*	*2008*	*2014*	*Target*	*Status*
• 8.11 Debt relief committed under HIPC and Multilateral Debt Relief Initiative	Qualified for debt relief (December 2007)	Benefited from debt relief after qualifying in December 2007		N/A	Cancellation of debt still outstanding (30%)
• 8.12 Debt service as a percentage of exports of goods and services				N/A	
• 8.13 Proportion of population with access to affordable essential drugs on a sustainable basis				N/A	
• 8.14 Telephone lines per 100 population			3.6 (PURA, 2012)	N/A	Moderate usage

Goal 8. Develop a global partnership for development	*2007*	*2008*	*2014*	*Target*	*Status*
• 8.15 Cellular subscribers per 100 population			105.8 (PURA, 2012)	N/A	Moderate usage
• 8.16 Internet users per 100 population	1,442 (ISP subscribers) (2003)	4,814 (ISP subscribers) (2008) Mobile	0.17 (PURA, 2012) 7.1 (PURA, 2012)	N/A	

Abbreviations: ART, antiretroviral therapy; BSS, behavioural surveillance survey; GDP, gross domestic product; DHS, demographic and household survey; GF, Global Fund to Fight AIDS, Tuberculosis and Malaria; HIPC, Heavily Indebted Poor Countries Debt Initiative; IHS, integrated household survey; ISP, internet service provider; MICS, multiple-indicator cluster survey; N/A, not available; NSF, National HIV/AIDS Strategic Framework; NSS, national sentinel surveillance survey; PUDR, progress update disbursement report; PURA, Public Utilities Regulatory Authority; R8, Round 8; TB, tuberculosis; WHO, World Health Organization; UNFPA, United Nations Population Fund; UNICEF, United Nations Children's Fund.

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Letter dated 16 May 2014 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of the United Kingdom of Great Britain and Northern Ireland on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, prepared for the annual ministerial review to be held during the high-level segment of the 2014 session of the Economic and Social Council (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the Council, under item 5 (c) of the provisional agenda.

(*Signed*) Mark **Lyall Grant**
Permanent Representative

* E/2014/1/Rev.1, annex II.

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Annex to the letter dated 16 May 2014 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Economic and Social Council

Summary

The international community is at a key moment for shaping the future of international development. Momentum is building around an ambitious and integrated post-2015 development agenda that will target eradicating extreme poverty within a generation. At the same time, the United Kingdom of Great Britain and Northern Ireland has met the 0.7 per cent target for official development assistance (ODA) and is fully committed to maximizing the impact of its development cooperation. The United Kingdom is clear that ODA needs to be used in the right places, on the right things and done in the right way. In particular, since 2012, the United Kingdom has given greater priority to supporting girls and women, taking an ambitious new approach to promoting economic development, driving even greater value for money and impact, embracing technology to benefit poorer countries and increasing the transparency of United Kingdom aid. It has played a lead role internationally on humanitarian response, including after the devastating effects of Hurricane Sandy in Haiti and Typhoon Haiyan, and providing vital humanitarian support to victims of the conflicts in the Syrian Arab Republic and Somalia.

Aid volume

The United Kingdom believes that, even in these difficult economic times, richer countries have a moral responsibility to help the poorest people in the world. That is why the Government of the United Kingdom has reaffirmed its commitment to an international development policy focused on the Millennium Development Goals and in 2013 became the first member of the Group of Eight to achieve the target of providing 0.7 per cent of its gross national income as ODA. This represents an increase from 0.57 per cent of ODA/gross national income in 2010 and was achieved against a backdrop of significant reductions in United Kingdom public expenditure overall. This reflects the commitment of the United Kingdom to keeping its promises to the world's poor.

Policy priorities

The United Kingdom believes that the "golden thread" of conditions that enable open economies and open societies to thrive are essential for poverty reduction: the rule of law, the absence of conflict and corruption and the presence of property rights and strong institutions.

Against this background, the United Kingdom has sharpened its focus on:

(a) Supporting fragile States: preventing and tackling conflict and building stability overseas;

(b) Stimulating private investment for growth;

(c) Pushing for freer trade that benefits developing countries;

(d) Addressing the growing challenges of climate change.

Improving aid effectiveness and efficiency

The United Kingdom has undertaken fundamental reviews of bilateral and multilateral aid to determine how to get maximum value for every taxpayer pound and to achieve the best development impact. It also commissioned the independent humanitarian and emergency response review, which reported in March 2011. The United Kingdom is acting on its recommendations both for United Kingdom policy and operations and for the international system. It has embedded the four key principles of development effectiveness throughout its programmes: ownership, results, transparency and inclusivity.

Transparency and scrutiny

As the United Kingdom honours its aid commitments, it is also ensuring much greater transparency and scrutiny to deliver value for money for United Kingdom taxpayers and to maximize the impact of the United Kingdom aid budget. In May 2011, it established the Independent Commission for Aid Impact, which has the remit to scrutinize any and all United Kingdom official development assistance and which reports directly to Parliament.

The United Kingdom has strongly supported and championed the International Aid Transparency Initiative since it was launched in 2011. It established its own development tracker in November 2013, which provides easy-to-use detailed information on projects funded by the United Kingdom.

Role of the United Kingdom in global development

The United Kingdom continues to play a full role in global debates on development. In 2013, the Prime Minister co-chaired the United Nations High-level Panel of Eminent Persons on the Post-2015 Development Agenda. The Panel's report concluded that it was possible to eradicate extreme poverty by 2030 and outlined the need to build effective, open and accountable institutions that ensure peaceful and prosperous societies and that encourage the rule of law, property rights and freedom of speech for all. Building those institutions is fundamental to addressing the world's future challenges.

A priority for the United Kingdom is to ensure that a modernized development financing system will effectively support the framework for the post-2015 development goals, with eradicating poverty at its core. It should build on the success of the current system and motivate all actors to do the right things in the right places in the right ways.

The United Kingdom presidency of the Group of Eight in 2013 set an ambitious agenda, aimed at boosting jobs and growth through more open trade, fairer taxes and greater transparency ("the 3Ts"). The commitments made by the Group at the Lough Erne summit will help developing countries to raise revenue from trade, taxes and the sale of their natural resources, so that they can fund their own development. The United Kingdom is now working to ensure that the Lough Erne commitments are fully implemented.

I. Towards a comprehensive development effort

1. The context for our development cooperation is changing. Three quarters of the world's poor now live in upper- or lower-middle-income countries. By 2015, half of the world's poor will live in fragile and conflict-affected States, which are the furthest behind in the attainment of the Millennium Development Goals. Global challenges such as climate change, fragility and resource scarcity are affecting the poorest in all these countries.

2. Countries such as India and China are demonstrating a new path for development and showing that they have a critical role to play in solving global problems. Development is now characterized by a greater number of State and non-State actors, and includes cooperation among countries at different stages in their development. South-South and triangular cooperation, new forms of public-private partnership and other modalities for development have become more prominent, complementing North-South forms of cooperation.

3. The relative importance of aid is changing as other sources of revenue increase. The United Kingdom recognizes that there are challenges ahead and that there is a need to address the changing global context: the changing geography and nature of poverty; the evolving nature of the international partnerships and actors working on development issues; and the post-2015 framework for international development.

Global development issues

4. The food price and financial crises that began in 2008 led to reduced or even negative growth rates, contraction in foreign direct investment and cuts in public spending in the countries that are members of the Organization for Economic Cooperation and Development (OECD). Global official development assistance (ODA) has reduced from $128.5 billion in 2010 to $125.9 billion in 2012. During the same period, humanitarian needs have increased as a result of more extreme weather events, including the earthquake in Haiti, floods in Pakistan, Typhoon Haiyan in the Philippines and drought in the Horn of Africa. Responses to the Arab Spring and conflicts in Libya, Iraq and the Syrian Arab Republic have also put pressure on ODA spending.

5. The response of the United Kingdom has been to increase its focus on fragile and conflict-affected States, through both bilateral programmes and multilateral assistance. The United Kingdom is on target to meet its commitment to direct 30 per cent of ODA by March 2015 to support those countries. It has also revamped its approach to humanitarian aid, with increased attention on building disaster resilience and enhanced support for tackling climate change through adaptation, mitigation and forestry programmes. In addition to delivering the commitment to meet the 0.7 per cent target, the United Kingdom has galvanized international support for tackling global issues such as disease (GAVI Alliance, the Global Fund to Fight Aids, Tuberculosis and Malaria) and food security.

6. The United Kingdom recognizes the importance of international trade and economic development to support growth in the United Kingdom and the developing world. It made a major effort to achieve a development-oriented agreement at the ninth Ministerial Conference of the World Trade Organization, held

in Bali, Indonesia. That agreement will boost international trade and integrate the poorest countries more closely into the global trading system.

7. Economic growth, led primarily by the private sector, is central to poverty reduction. During 2012/13, the Department for International Development (DFID) worked with other United Kingdom ministries, notably the Department for Business, Innovation and Skills and the Foreign and Commonwealth Office, to increase its work with businesses and Governments to remove barriers to trade, investment and business operations and to stimulate the development of markets to create jobs and benefit poor people.

8. The United Kingdom believes that honest and responsive government will enable open economies and open societies to thrive. In 2013, the United Kingdom chaired the Open Government Partnership, a multilateral initiative that aims to secure specific commitments from Governments to promote transparency, empower citizens, combat corruption and harness new technologies to strengthen governance.

Post-2015 framework for development

9. The United Kingdom continues to play an active role in the global debate on the post-2015 development agenda, which will be vital for eradicating extreme poverty by 2030. The Millennium Development Goals expire on 31 December 2015. Shaping what follows — the post-2015 development agenda — provides us with a generational opportunity to set the global development agenda to 2030. The United Kingdom wants to see a single, compelling set of goals that complete the job started with the Goals and secure the global ambition to eradicate extreme poverty, embed peace, stability and good governance in societies and result in growth through sustainable development.

10. Extreme poverty was halved in 15 years through the Millennium Development Goals. However, more than 1 million people remain affected by extreme poverty. The effects are appalling — millions of infants die each year from infectious diseases that we have the power to prevent; millions of human brains and bodies are, literally, stunted; and millions of minds are denied basic education. By continuing to prioritize the eradication of extreme poverty through the post-2015 framework, we hope to secure a global effort to end extreme poverty by 2030.

11. While the Millennium Development Goals rallied global effort around human development outcomes, they did not sufficiently address the underlying causes of poverty. We want the post-2015 agenda to strengthen governance and reduce and prevent conflict and violence. Without addressing the causes of conflict and fragility, we will not eradicate extreme poverty. We hope that governance, peace, security and justice for all will fit within a framework that is both ambitious in addressing those core issues and flexible enough to be useful in preparing national development plans, recognizing that the priorities will vary by country and region. We believe that the new agenda should call for:

(a) Effective and inclusive economic, social and political institutions that avert the risks of conflict, provide a stable and predictable environment for business investment, innovation and growth and leave no one behind, ensuring that women and men can get a job, have a voice and have equal access to opportunities;

(b) A political voice and opportunities for all, rights and fundamental freedoms, including of assembly and expression;

(c) Strong economic institutions, free and fair markets, functioning commercial courts, clear and consistently applied policies, regulations and laws, secure property rights and simplified business registration procedures;

(d) Capable and responsive Governments, able to deliver job opportunities for their peoples and offering them protection against crime, violence and discrimination;

(e) A rule of law that provides a predictable and stable environment for investors, for people to secure title for land, for protecting natural resource assets on which poor communities depend and as a tool for preventing marginalization and discrimination;

(f) Fair and functioning justice systems, ensuring that all citizens have equal access, allowing women and men to speak for themselves, realize their rights and hold Governments to account.

12. Eradicating extreme poverty will not be possible without also addressing climate change and promoting sustainable development. We therefore want to see a framework that has sustainable development as the means to end poverty. We want a framework that avoids dangerous climate change, encourages us to live sustainably within our resource limits and protects the world's natural resources, allowing us to achieve sustained growth and poverty eradication. Well-designed development goals should complement, not duplicate, what is agreed in the United Nations Framework Convention on Climate Change and other multilateral environmental agreements.

13. The United Kingdom would also like to see a stand-alone gender goal that addresses the causes of gender inequality. Gender equality is necessary to end poverty. Evidence shows that, where girls and women are "locked out", economies and societies underachieve. Gender equality is a proven enabler of economic growth and a multiplier of other human development goals — when a girl in the developing world receives seven or more years of education, she marries four years later and has 2.2 fewer children and her children are more educated and healthier. We want to see targets that will transform the lives of girls and women: ending violence against girls and women; ending child, early and forced marriage; promoting economic empowerment, voice, leadership and participation; securing universal sexual and reproductive health and rights; reducing maternal mortality; and increasing girls' education. This needs to be complemented by gender-sensitive targets and indicators throughout the framework and data that are disaggregated by sex and age.

Financing for development

14. The vision of the Government of the United Kingdom is to eradicate poverty and transform economies by helping poorer countries to achieve a secure, self-financed and timely exit from poverty through economic development. Private investment contributes to economic development by creating productive jobs and increasing the tax revenue that helps developing countries to fund their own services. The Government needs to put in place the building blocks for economic development by creating the policy, legal, regulatory and institutional environment for markets to work and businesses to grow.

15. The United Kingdom is clear that a modernized development financing system will effectively support the framework for the post-2015 development goals with eradicating poverty at its core. It should build on the success of the current system

and motivate all actors to do the right things, in the right places, in the right ways. This means maximizing the impact of all finance sources to strengthen the economic transformation of developing countries and help them to finance themselves out of poverty. The system must also capture and incentivize total support for development from all sources, not just ODA. The United Kingdom is engaging closely with the work of the OECD Development Assistance Committee on modernizing development finance.

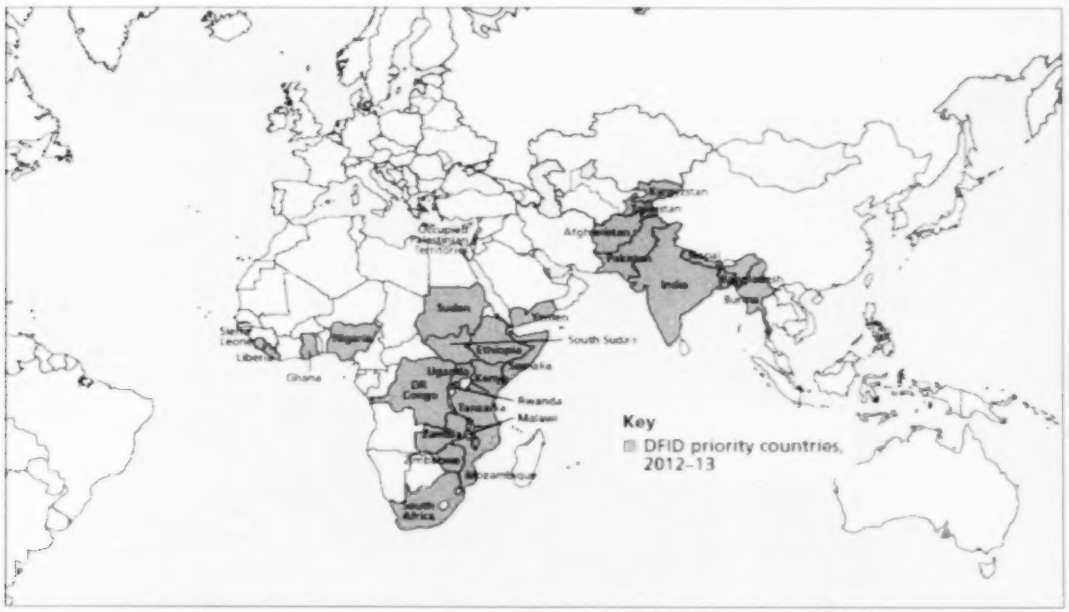
16. The United Kingdom is also contributing to work on a post-2015 sustainable development finance strategy through its representative on the Intergovernmental Committee of Experts on Sustainable Development Financing. The Committee is mandated by the United Nations Conference on Sustainable Development to prepare options for a sustainable development financing strategy by 2014.

II. United Kingdom development policy

United Kingdom development assistance: our mandate

17. The United Kingdom has made strong commitments to tackling world poverty.

Figure I
Department for International Development 28 priority countries 2012-13



18. The overall aim of the United Kingdom is to reduce poverty in poorer countries by achieving the Millennium Development Goals. DFID leads this work. The United Kingdom does this through programmes delivered by a range of partners, including multilateral institutions, civil society organizations and the private sector. We have bilateral country programmes in 28 countries and three regional programmes. In addition, we partner with the key multilateral

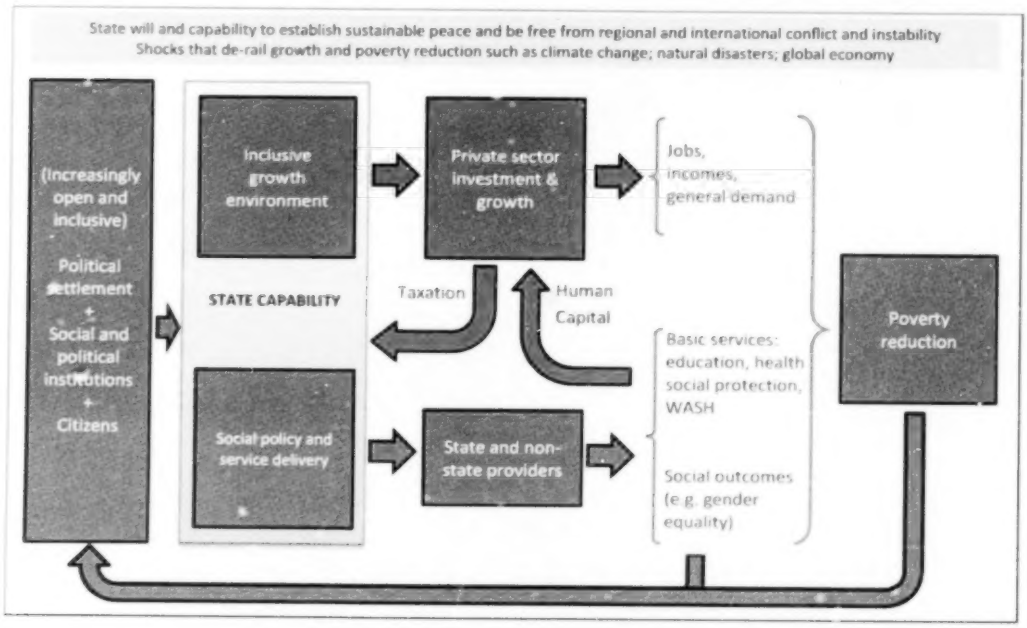
organizations, such as United Nations agencies and multilateral development banks, which play a critical role in both humanitarian response and poverty reduction.

19. We have a strong focus on supporting the key basic services — health, education, water and sanitation — to meet the Millennium Development Goals. As the 2015 deadline for the Goals is now in our sights, we continue to focus on areas that are proving intractable, such as maternal mortality, access to water and sanitation and access to education for girls. We are expanding our support for fragile and conflict-affected States, which are often furthest from achieving the Goals. We accompany this where needed with support for humanitarian crises all over the world, for example recently in the Syrian Arab Republic.

20. Above all, all our support is provided in the light of a long-term vision to help countries to exit poverty. This involves support for strong and sustainable social, economic and political institutions so that countries can lead their own development and generate economic growth, tax revenue and jobs. Practically speaking, this means that we also provide support to the building blocks of prosperity that the Prime Minister has called the "golden thread" of development, such as domestic resource mobilization, absence of conflict, honest and transparent government, education and clear rules for business.

Figure II

Department for International Development approach to poverty reduction: business plan (2013)


State will and capability to establish sustainable peace and be free from regional and international conflict and instability
Shocks that de-rail growth and poverty reduction such as climate change; natural disasters; global economy
(Increasingly open and inclusive)
Political settlement
+
Social and political institutions
+
Citizens
Inclusive growth environment
STATE CAPABILITY
Social policy and service delivery
Private sector investment & growth
Taxation
Human Capital
State and non-state providers
Jobs, incomes, general demand
Basic services: education, health social protection, WASH
Social outcomes (e.g. gender equality)
Poverty reduction

21. United Kingdom international development policy and funding benefit from a solid legal basis in the 2002 International Development Act. This means that the Secretary of State for International Development can provide development

assistance for sustainable development and welfare, provided that he or she is satisfied that this assistance is likely to contribute to poverty reduction.

22. The DFID business plan for 2012-2015 sets out a number of priorities aimed at supporting the achievement of the Millennium Development Goals:

(a) Honour international commitments and support actions to achieve the Goals;

(b) Drive transparency, value for money and open government;

(c) Boost wealth creation;

(d) Strengthen governance and security in fragile and conflict-affected countries and make the humanitarian response of the United Kingdom more effective;

(e) Lead international action to improve the lives of girls and women;

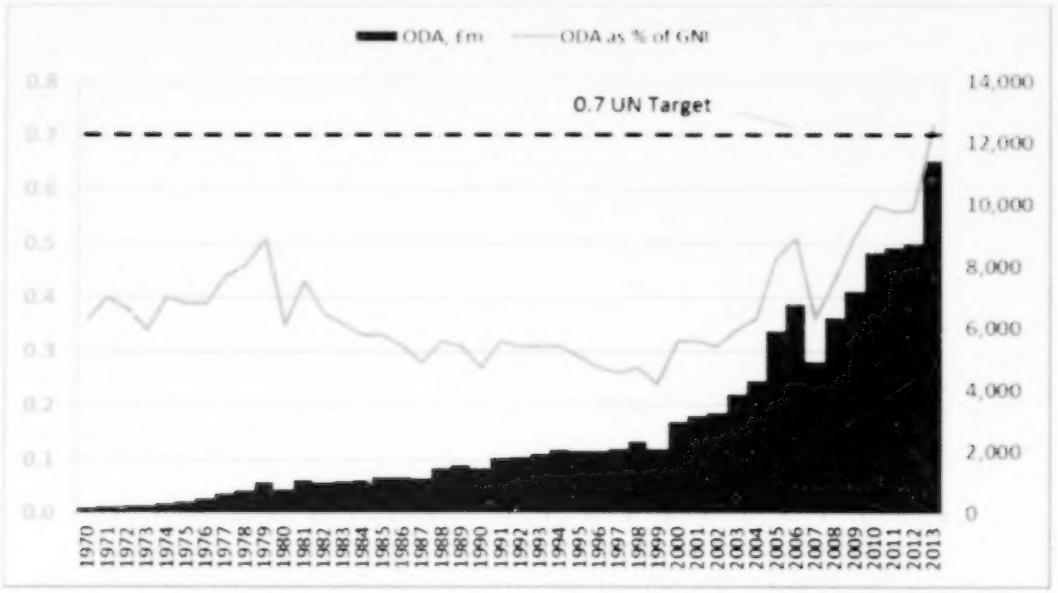
(f) Combat climate change.

23. In January 2014, the Secretary of State for International Development set out the new approach of the United Kingdom to support growth and create jobs in developing countries (see www.gov.uk/government/speeches/smart-aid-why-its-all-about-jobs). In 2015-16, DFID will target £1.8 billion at economic development, more than doubling the amount spent in 2012-13, in line with its new strategic framework on economic development (see www.gov.uk/government/publications/economic-development-for-shared-prosperity-and-poverty-reduction-a-strategic-framework).

Volume of official development assistance

24. Official provisional statistics show that United Kingdom ODA increased by 30 per cent in 2013. This represented an increase of £2.671 billion, up from £8.766 billion in 2012 to £11.437 billion in 2013. ODA as a proportion of gross national income (GNI) increased from 0.56 per cent in 2012 to 0.72 per cent in 2013. Bilateral ODA (to developing countries) has increased by £1.353 billion (24.6 per cent), while multilateral aid (to multilateral organizations) has increased by £1.319 billion (40.4 per cent). Subject to final confirmation of the numbers for 2013, the United Kingdom is the first member of the Group of Eight to reach 0.7 per cent ODA/GNI target.

Figure III
Official development assistance levels since 1970



Source: DFID statistical release: provisional United Kingdom ODA as a proportion of GNI, 2013, April 2014.

Policy coherence for development

25. The commitment of the United Kingdom to an international development policy focused on the Millennium Development Goals can be achieved only through a significant level of policy coherence across the Government.

26. The government structures support coherence in a number of ways. First, the role of the Secretary of State for International Development as a Cabinet Minister ensures consultation on the full range of government policy initiatives with development impact. Second, his or her membership of the National Security Council enables the Government to take a comprehensive approach to policy issues critical to international development. Third, the National Security Council agreed in June 2013 to reform decision-making around countries at risk of instability, creating a simpler, more strategic framework that will further strengthen coherence across the Government.

Promoting development in a wider arena

27. The Government recognizes that securing progress on the Millennium Development Goals requires actions that engage a wide range of decision makers and strong support from the public. This means using every opportunity to build progress. For example, the Prime Minister and the Vice-President of Brazil co-hosted a Global Hunger Event on the final day of the 2012 Olympic Games, held in London. The participants in the high-level meeting called upon representatives of Governments, charities and businesses to take decisive action before the Olympic Games to be held in Rio de Janeiro, Brazil, in 2016 to transform the life chances of millions of children by improving nutrition. To maintain the attention paid to the

political and financial commitments needed to prevent undernutrition, the United Kingdom worked with civil society and the Government of Brazil to co-host a high-level meeting on the theme "Nutrition for growth: beating hunger through business and science" in June 2013. At the event, world leaders signed a global agreement to improve the nutrition of 500 million pregnant women and young children and to reduce the number of children under 5 years of age who are stunted by an additional 20 million. The measures are expected to save the lives of at least 1.7 million children.

International Climate Fund

28. The United Kingdom has enhanced its work across the Government on climate change. It is strongly committed to tackling climate change and to ensuring that approaches to climate change also help to alleviate poverty. In 2011, the United Kingdom launched the International Climate Fund, specifically aimed at helping developing countries reduce poverty. In that regard:

(a) The objectives of the Fund are to help developing countries to reduce poverty, adapt to the impacts of climate change and pursue low-carbon growth, including reducing emissions from deforestation and forest degradation;

(b) The Fund is worth £3.87 billion between April 2011 and March 2016;

(c) Departments working together include DFID, the Department for Energy and Climate Change, the Department for Environment, Food and Rural Affairs, the Foreign and Commonwealth Office and the Treasury;

(d) The Fund aims to deliver results through innovative project portfolios, including a public-private partnership programme to boost private investment;

(e) It also supports a global programme to help 6 million small-scale farmers in 40 developing countries adapt to a changing climate.

29. The United Kingdom ensures that all ODA is consistent with United Kingdom climate and environment objectives through:

(a) Climate and environment assessments carried out for all new programmes managed by DFID, the Department for Energy and Climate Change and the Department for Environment, Food and Rural Affairs;

(b) Strategic programme reviews to identify how country programmes can best tackle these issues;

(c) Deeper analysis of the links between poverty, climate change and resource scarcity.

Economic development

30. Economic growth is the most important means of raising people's incomes and reducing poverty in the developing world; it creates jobs and opportunities for poor people to support their families and build more stable futures. The private sector — both formal and informal — is the engine that drives growth in all countries and builds sustainability. In that regard:

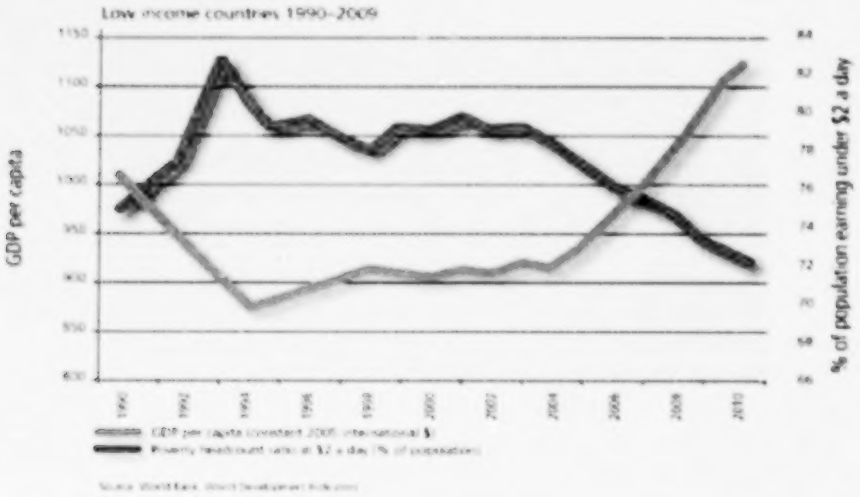
(a) Wherever long-term per capita growth is higher than 3 per cent, poverty falls significantly;

(b) A threefold increase in per capita gross domestic product (GDP) in Viet Nam resulted in poverty levels falling from 64 per cent in 1993 to 17 per cent in 2008;

(c) In China, the population living on less than $1.25 per day fell from 84 per cent in 1981 to 13 per cent in 2008, during a period of a tenfold increase in per capita GDP.

Figure IV

Percentage of the population earning under $2 a day and gross domestic product per capita in low-income countries (1990-2009)



Stimulating businesses to see the value of supporting poor people

31. However, we cannot just ignore the effects — positive or negative — that businesses have in developing countries. That is why we are building partnerships with businesses such as SABMiller and Unilever in developing countries to promote new approaches that generate profits with a strong developmental impact. For example, in South Sudan, the world's newest country, we are working with SABMiller to source cassava locally, providing an income for at least 2,000 farmers. We are also working with some of the top United Kingdom companies to invest in improving skills, health and working conditions for poor workers and smallholder farmers working in their value chains. In the United Republic of Tanzania, the United Kingdom is working with companies, including Unilever, to co-invest in business projects with good development outcomes.

32. This is also why we believe that untied aid (i.e. aid that is not specifically tied to the use of United Kingdom suppliers) is so critical. While we believe that United Kingdom business is very strong and can win many new contracts, allowing supplies to be bought from anywhere in the world has been a central pillar of United Kingdom aid policy since 2002. Our procurement rules now promote local markets, enabling new factories to be built in developing countries, supporting local jobs and employment. It has also increased the value for money for the United Kingdom

taxpayer and encouraged the competitiveness of the international development sector and United Kingdom business.

Domestic resource mobilization

33. An effective tax system is at the heart of an effective State. Domestic revenue from taxation is the most sustainable source of State financing by creating a base for expenditure on public services, investment and social transfers. Fair and efficient tax systems can also help to build trust between citizens and the State, contributing to an environment of accountability, and can also play an important role in creating an attractive investment climate. Ultimately, tax enables countries to have ownership, be self-sufficient and end dependency on aid.

34. Tax administrations need to have strong capacity to collect and administer taxes fairly and efficiently, supported by transparent and accountable public financial management systems to manage expenditure. This also involves strategies for the effective use of domestic revenue and building domestic accountability.

35. The United Kingdom supports tax administrations bilaterally and through international programmes.

Supporting tax collection in Sierra Leone

An example of successful tax administration is the National Revenue Authority of Sierra Leone, which launched a tax modernization plan in 2007 with support from DFID of £14.7 million over six years, as Sierra Leone began to rebuild after the civil war. In 1986, the revenue to GDP ratio had plummeted to 5 per cent of GDP.

The programme served as a catalyst to boost the revenue to GDP ratio to 11.4 per cent by 2012 and future support aims to increase the revenue to GDP ratio to 13.9 per cent by 2017 (excluding iron ore), making this a high-impact spend in development cooperation funds. Sierra Leone has a vibrant civil society, which continues to monitor the transparency of funds and mineral contracts and to check that funds are used towards meeting the Millennium Development Goals.

Stepping up international efforts to combat tax evasion and avoidance

36. DFID wants developing countries to collect the taxes that are owed to them, which is why we are working hard to combat tax evasion and avoidance. In 2013, we stepped up these international efforts through the presidency of the United Kingdom of the Group of Eight.

37. At the Lough Erne summit in June 2013, the Group of Eight agreed to support a new international standard of automatic exchange of information that would help all countries in tackling tax evasion. We are now working through the Group of 20 to develop a road map so that developing countries can overcome obstacles to participating in this new standard and so reap the full benefits of recent developments in international tax transparency.

Reducing barriers to economic growth

38. Getting finance flowing is often one of the deepest and most difficult barriers for small and large enterprises operating in developing markets. DFID has pioneered the use of new financial instruments to help businesses of all sizes to grow and create jobs. We are supporting poor people to get better access to savings, credit and insurance, including support to 18 million women to gain access to financial services such as bank accounts, savings and insurance. We are working with CDC (the United Kingdom development finance institution) to support the building of businesses throughout Africa and South Asia to create jobs and make a lasting difference to people in some of the world's poorest places.

39. We are also focused on making it easier to do business in developing countries. Private investment in most developing countries is far higher than official development assistance, but it needs to grow further and there are barriers. Poor infrastructure, poor regulation, information gaps and financial challenges deter investment by companies, big and small, domestic and international. That is why we also continue to work with multilateral agencies, for example through the Private Infrastructure Development Group, to enable investments in infrastructure development.

40. We also have a growing portfolio of programmes that work to tackle these barriers to investment, business growth and jobs by strengthening the legal, regulatory and institutional frameworks in developing countries. We are supporting reforms to make the operating environment for businesses simpler, fairer and more transparent.

- In Nigeria, our technical assistance programmes have helped to increase the country's power supply by 45 per cent.
- In Bangladesh, we have helped to cut the number of days that it takes to register a business from 57 days to just 3 days.
- We plan to help to secure the right to land and property for more than 6 million people, including 4.5 million women.

Girls and women

41. In 2012, the Government put girls and women at the heart of its programming, to "stop poverty before it starts". This means ensuring that girls and women have a voice in decision-making at all levels; a choice over whether to have children, when and how many; control over their bodies; freedom from the threat of violence; and control over resources and assets to lift themselves and their families out of poverty.

42. To support this, we have deepened our efforts to collect, disseminate, harmonize and make full use of data disaggregated by sex. This gives a much better picture of the reach of our impact, bringing the most vulnerable and marginalized to the fore. Nine of the DFID level 2 results framework indicators are disaggregated by sex.

43. A gender equality bill has also recently been passed by Parliament and establishes a legal requirement for the Government to consider, before providing

development assistance, how that assistance will contribute to reducing gender inequality.

44. Lastly, we have four specific pillars of work on women and girls, which challenge us to be more innovative and bold. Those four pillars are:

(a) To get economic assets directly to girls and women;

(b) To get girls through secondary school;

(c) To delay first pregnancy and support safe childbirth;

(d) To prevent violence against girls and women.

45. We are also raising awareness of and addressing violence against women in conflict-affected countries. We also encourage our multilateral partners to drive this agenda forward.

Odisha girls' education programme

In 2013, DFID India will help the government of Odisha set up an incentive scheme to encourage Dalit and tribal girls to enrol in and complete junior secondary school. The project will register disadvantaged girls in the last year of upper primary school and support them to enter and complete junior secondary schooling. The allowance will be paid if girls attend secondary school 75 per cent of the time. We expect this to drive up school attendance and increase completion rates (to 16 years).

Through research and evaluation, the Odisha Girls' Incentive Programme will add to the global evidence base on what works and why. It is intended that successful innovations will inform the design of the national incentives programme that the Government of India plans to launch.

III. United Kingdom development cooperation and development effectiveness

46. In many countries, aid flows are making up a decreasing part of country budgets and they are increasingly self-financing services for the poor. This implies a more strategic use of aid in many countries. Aid, however, is still of critical importance, especially for reaching the very poorest people in low-income countries, supporting the transition out of aid and responding to global challenges.

47. That is why our work is not just about delivering quantity, but quality: it is not just about what we do, but how we do it. As the United Kingdom moves to spending 0.7 per cent of gross national income on development cooperation, there is an imperative to make the best investments with our resources. It is also why the support of the United Kingdom for international development is increasingly involving a range of government ministries, for example working with the Foreign and Commonwealth Office and the Ministry of Defence in an integrated response to

conflict prevention, stabilization and discretionary peacekeeping through the United Kingdom conflict pool and working with the Department for Energy and Climate Change, the Treasury and the Department for Environment, Food and Rural Affairs on tackling the challenges posed by climate change.

48. The United Kingdom is a strong supporter of the international processes that guide the effectiveness of development support, for both the United Kingdom and the international development architecture. The Secretary of State for International Development is proud to have co-chaired the Global Partnership for Effective Development Cooperation in preparation for its inaugural high-level meeting on 15 and 16 April in Mexico. This will be an important step along the development effectiveness road. Born out of the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011, the Global Partnership has brought an important shift from aid effectiveness to development effectiveness. This has moved the focus from aid flows to a more strategic approach of seeing our assistance within a bigger picture of the many drivers that will influence development and help countries to exit poverty.

49. The United Kingdom has embedded the four key principles of development effectiveness throughout its programmes:

(a) Results;

(b) Transparency;

(c) Ownership;

(d) Inclusivity.

Results

50. Development cooperation — and aid specifically — is a means to an end, not an end in itself. That is why it is important to focus not on volumes of assistance, but on impact. This is the aim of the results agenda and it is why DFID has invested heavily over the past three years in strengthening our focus on results. By publishing our commitments and the results that we achieve, we hope to strengthen accountability and credibility for our assistance and ultimately achieve a lasting impact for the poor. The results agenda also helps us to be more flexible and innovative in designing programmes to deliver results, as we focus more on outcomes than inputs and outputs.

51. To support the results agenda, DFID has transformed its management structures to embed a results focus throughout its work, from managing, monitoring and evaluating to communicating progress. The results framework provides the senior management with regular management information and reviews of portfolio performance, risks in delivery and where and how to drive better value. These results flow throughout our organization as each DFID country office now publishes a results-orientated and country-specific operational plan.

52. The United Kingdom continues to achieve against its commitments. As at March 2013, the United Kingdom had:

(a) Enabled 30.3 million people, including at least 14.6 million women, to work their way out of poverty by providing access to financial services;

(b) Prevented 12.9 million children and pregnant women from going hungry;

(c) Ensured that 1.6 million births took place safely;

(d) Provided 8.7 million people with emergency food assistance;

(e) Supported 5.9 million children — 2.8 million of them girls — to go to primary school.

53. The United Kingdom has undertaken fundamental reviews of bilateral and multilateral aid to determine how to get maximum value for every taxpayer pound and to achieve the best development impact. Those reviews were based on rigorous evidence, drew on extensive consultations with bilateral partner Governments, civil society and the private sector and were subject to external scrutiny and challenge. The conclusions were published in March 2011 in a document entitled "UK aid: changing lives, delivering results".

54. The United Kingdom also commissioned the independent humanitarian and emergency response review, which reported in March 2011. The United Kingdom is acting on its recommendations both for United Kingdom policy and operations and for the international system. They include commitments to embed disaster resilience in all country programmes by 2015 and to play a lead role internationally in promoting the resilience agenda.

Smart procurement, better value for money

In 2013, DFID won the Chartered Institute of Purchasing and Supply award for best international procurement project for our work in reducing the price of contraceptives for women in developing countries. In this instance, we formed a consortium with Bayer HealthCare, the Bill and Melinda Gates Foundation, the Clinton Health Access Initiative, the Governments of Norway, Sweden and the United States of America, the Children's Investment Fund Foundation and the United Nations Population Fund. Together, using what is known as the "advance market commitment mechanism", we achieved a price reduction of 50 per cent on Jadelle contraceptive implants, which is providing access to 27 million units for women in developing countries.

Results for long-term impact

55. Our focus on results has helped us to see our assistance in terms of the measurable transformation of individual lives. Even when responding to immediate emergencies, we are increasingly trying to ensure that we also invest in helping countries to become more resilient to disasters, as an efficient way of spending aid compared with giving humanitarian support. This means a strategic use of development resources that will lead to deeper, more sustained change.

Investments in resilience saving lives

A strategic approach to development in India by investing in disaster preparedness has resulted in dramatically reducing the loss of lives caused by cyclones.

Cyclone Phailin, a category 4 storm the size of Hurricane Katrina, was the biggest storm to hit the Indian coast in the past 14 years. In 1999, a similar storm hit the same coastline, killing more than 10,000 people. In response, DFID and other donors supported the government of Odisha to invest heavily in disaster preparedness. The government set up the first state-level agency in India for disaster management, built cyclone shelters, created evacuation routes, strengthened coastal embankments and conducted annual mock drills in the coastal districts.

While Cyclone Phailin was stronger than the storm 14 years previously and did result in significant damage to housing and infrastructure, thanks to this disaster preparedness and risk mitigation, the official death toll was 38 people. Close to 1 million people were evacuated to cyclone shelters, safe houses and locations inland.

Transparency

56. Transparency is a key ingredient for the effectiveness and accountability of development assistance. Transparency enables taxpayers in provider countries to see how development funds are being spent and hold their Governments to account. It also allows recipient Governments to plan and manage the resources coming into their country, as well as empowering citizens and parliamentarians to hold their Governments and donors to account.

57. In recent years, the United Kingdom has championed transparency in development assistance globally. With political commitment from the highest levels of the Government, our efforts have had a dual focus: first, getting our own house in order across the Government by stepping up our efforts to share data in a timely, comprehensive, comparable and accessible way and, second, working with others to build transparency globally. This effort has been recognized in our being ranked first and third in the International Aid Transparency Index in 2012 and 2013 respectively.

> "Incredible as it may seem, just 12 months ago the Government did not publish details of how our development money was spent … Today, people all around the world can go online and see every item of DFID spending over £500"
>
> David Cameron, Prime Minister of the United Kingdom, June 2011, GAVI pledging conference

Impact of international coalitions

58. The International Aid Transparency Initiative has transformed our approach to transparency. It is an important agreement on how aid information should be published in order to meet the needs of both donor and recipient countries. As one of the first signatories, DFID committed itself to publishing data on its development assistance in line with the pre-agreed international standard. We were the first to publish to this standard and continue to do so on a monthly basis. It is a great achievement of the Global Partnership for Effective Development Cooperation that more than 200 other organizations are also now publishing data through the Initiative.

In India, DFID supported the Government of Bihar to develop the Right to Public Services Act 2011 and implement a public awareness campaign to improve services for the poor. Establishing this as a right and raising awareness of it led to a significant increase in applications for services. The first five months saw more than 9 million applications. There was also an associated improvement in service delivery, with more than 80 per cent of applications successfully processed.

Ownership

59. Ownership by countries of their own national development agenda is essential for lasting, sustainable success. However, ownership has to be politically driven. This means developing countries exercising political leadership to drive and demonstrate a tangible commitment to their own development. As a provider of development cooperation, we need to provide our support in a way that supports and strengthens, rather than undermines, local responsibility and leadership.

We help to build effective institutions for ownership

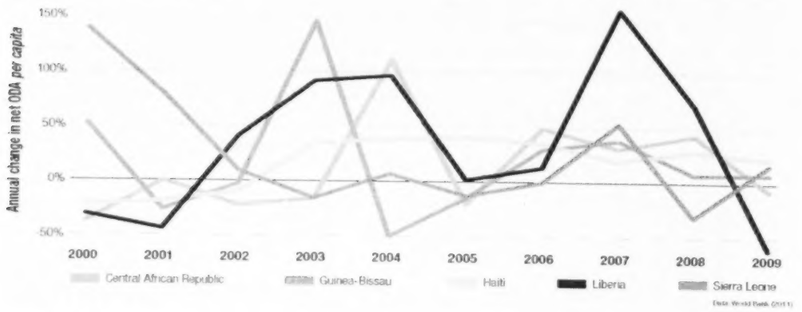
60. Development depends on the collective strength of a country's political, social and economic institutions. That is why the Prime Minister has made it a priority for us to support the range of institutions needed for countries to own and lead their own development in what he has termed the "golden thread" of development. Over the past two years, we have increased our support for the building blocks of key institutions, such as the rule of law, the absence of conflict and corruption and the presence of property rights. In 2012/13, DFID invested £714 million in open societies and peace.

Fragile and conflict-affected States

61. Over the past two years, the process of building ownership has been guiding development strategies in several fragile and conflict-afflicted States. These are a critical set of countries where development responses need to be smart, flexible, tailored to the context and harmonized. Above all, given the complex, changing dynamics of such contexts, the international community needs a keen understanding of the politics and to be able to act on it.

Figure V
Five countries providing an illustration of aid volatility in fragile States

The five countries below provide an illustration of aid volatility in fragile states. From 2000 to 2009, it was not uncommon for total aid to the Central African Republic, Guinea-Bissau, Haiti, Liberia and Sierra Leone to drop by at least 30 percent in one year and increase by up to 100 percent the following year.



- By 2015, half of the world's poor people will live in fragile States.
- About 70 per cent of fragile States have seen conflict since 1989.
- DFID will spend 30 per cent of assistance in fragile and conflict-affected contexts in 2014.
- Of the seven countries that are unlikely to meet a single Millennium Development Goal, six are fragile (OECD).

62. The New Deal for Engagement in Fragile States is an instrument specifically designed to build ownership. It provides a framework for development partners to work with partner countries in a way that builds mutual trust and supports a country and its priorities, plans and systems. At the heart of the New Deal are agreements between donors and partner countries, known as "compacts". They have five peacebuilding and State-building goals at their heart: legitimate politics, security, justice, economic foundations and revenues and services. To inform these goals, donors and partner Governments often also undertake joint fragility assessments in New Deal countries to build awareness of the politics and risks.

63. The United Kingdom is playing a lead role in the New Deal work in Afghanistan, Sierra Leone, Somalia and South Sudan.

Inclusivity

64. Poverty eradication is a global challenge that will be achieved only through a global effort, requiring contributions from everyone. It is not just that we want to work in partnership; we have to work in partnership if we want to see sustainable gains on poverty.

65. We see inclusive development as an approach that considers all stakeholders. It is about working in a way that reflects the needs of all in society, including the poorest and marginalized. As the Arab Spring has shown, without inclusive development alongside growth, it is hard, if not impossible, to sustain poverty reduction. It also refers to the true spirit of partnership, where we link our individual strengths and harness the synergies from working together towards a common goal.

66. Relationships are at the heart of development, which will never be achieved through just a technical approach. In DFID, our diverse partners offer a wealth of expertise, skills and perspectives, ranging from other countries at varying stages of the development journey, to civil society organizations, beneficiaries at the grass-roots level, the United Kingdom public, the private sector, philanthropic foundations, local governments, researchers, the media and parliamentarians.

67. We recognize that genuine partnerships do not happen automatically: we seek to build openness, trust, mutual respect and learning throughout our relationships, valuing the individual strengths of our partners and finding places of common agreement. We also expect our delivery partners to follow the principle of inclusivity. For example, "partnership behaviour" is a criterion in our assessment of multilateral partners.

68. Through our Global Development Partnership Programme, set up in 2012, DFID is working with emerging Powers on development outside their own borders. For example, the Programme has enabled the scaling up of work with Indian pharmaceutical manufacturers to lower the cost of lifesaving medicines across the developing world, saving £1 billion on essential drugs and vaccines. It is also supporting the sharing of South African expertise on health planning and procurement with other African countries. New work with China will enable low-income countries to learn from that country's unparalleled success in reducing infant, child and maternal mortality rates, disease prevention and control and health sector reform.

69. Our objectives in our strategic partnerships with emerging Powers are:

(a) To make our development support more effective. By learning from others, we can make United Kingdom development assistance smarter at reducing poverty. United Kingdom support should reflect lessons from the recent development experience of emerging Powers and catalyse the uptake of relevant lessons in poorer countries. For example, DFID has entered into a $4.5 million partnership with the Economic and Social Research Council to investigate how lessons from the successful economic transformation in China could generate new solutions for low-income Africa;

(b) To encourage responsible investment in poorer countries and regions. Done well, in response to local and regional priorities, investment should stimulate growth and drive development;

(c) To respond more strongly to global challenges. Collaboration on global issues, such as trade, climate change, health and food security, can improve development prospects in poorer countries;

(d) To work together to promote a better, more effective international and multilateral system. Cooperating with emerging economies is critical to achieving reform in the international systems that affect poverty reduction, such as through strengthening the key multilateral institutions, Group of 20 action and shaping the post-Millennium Development Goals framework.

IV. Conclusions: looking forward

70. The present report has sought to demonstrate the strong political commitment of the United Kingdom to achieving the Millennium Development Goals and working effectively to reduce poverty. As we continue to meet our international target of investing 0.7 per cent of GNI in development support and prepare for the post-2015 development goals framework, making sure that we deliver high-quality, high-impact cooperation will continue to be critical.

> "Together, we can give our best to lifting countries out of poverty, ending aid dependency and building a stronger global economy for everyone".
>
> Justine Greening, International Development Secretary, 2013